NSDL e-GOVERNANCE INFRASTRUCTURE LIMITED

24th
ANNUAL
REPORT
2018-19

CREATING AND STRENGTHENING e-GOVERNANCE SOLUTIONS


e-governance

MESSAGE FROM THE MD & CEO

Dear Shareholders,

e-Governance is the use of technology for better governance and administration. For Governments to function in an efficient and transparent manner and using available resources optimally, technology needs to be harnessed to play a very important role in governance. Relevant use of technology helps the governments to channelize available resources for better productivity. It increases transparency and reduces overall costs. Governments all over the world have, therefore, been embracing technology in various aspects of governance be it revenue collection, public distribution, skill enhancement or infrastructure development.

NSDL e-Governance Infrastructure Limited (NSDL e-Gov) was originally setup as a Depository in 1995 and has over the years, used its inherent strengths, project management capabilities & technology expertise to deliver state of the art e-Governance solutions which have helped Governments to identify and clear bottlenecks, promote transparency, reduce service delivery costs and deliver public services efficiently. The solutions have efficiently made use of information and communication technologies as a tool for delivering public services and benefits to the society at large. It is our goal to improve not only Ease of doing business but also Ease of Living.

NSDL e-Gov works closely with various Government agencies for designing, managing and implementing e-Governance Projects. Over a period of time, NSDL e-Gov has gained varied experience and expertise in areas that help Governments overcome various challenges faced by them in fulfilling their core responsibilities of delivering public services to the society. NSDL e-Gov has also established Service Centre networks across the country which serve as access points for general public and are efficiently used by Governments to deliver quality services in a user friendly and transparent manner to the citizens.

With best wishes,

GAGAN RAI
Managing Director & CEO

ANNUAL AND BUSINESS REPORT 2018-19

PROVIDING e-GOVERNANCE SOLUTIONS SINCE 1996

CONTENT ANNUAL REPORT

BOARD OF DIRECTORS

Mr. Shailesh Haribhakti	*Chairman, Independent Director (Appointed chairman w.e.f June 5, 2019)*
Justice (Retd.) Mr. B. N. Srikrishna	*Independent Director*
Ms. D.N. Raval	*Independent Director*
Mr. C.M. Vasudev	*Independent Director*
Mr. J. Ravichandran	*Director*
Mr. Karan Bhagat	*Additional Director*
Mr. Ravi Narain*	*Chairman, Independent Director (Resigned w.e.f. May 2, 2019)*
Mr. Gagan Rai	*Managing Director & CEO*
Mr. Jayesh Sule	*Whole Time Director & COO*

COMMITTEES UNDER THE COMPANIES ACT, 2013

Audit Committee

Mr. Shailesh Haribhakti *Chairman*

Mr. C.M Vasudev

Mr. Ravi Narain*

Corporate Social Responsibility Committee

Ms. D.N. Raval *Chairperson (Appointed Chairperson w.e.f June 5, 2019)*

Mr. Ravi Narain* *Chairman (Resigned w.e.f. May 2, 2019)*

Mr. Gagan Rai

Nomination & Remuneration Committee

Justice (Retd.) Mr. B.N. Srikrishna, *Chairman*

Mr. Ravi Narain*

Ms. D.N. Raval

Risk Management Committee

Mr. Shailesh Haribhakti *Chairman*

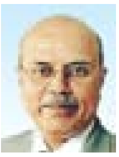
Mr. Ravi Narain*

Mr. J. Ravichandran

Mr. Karan Bhagat *(Appointed w.e.f March 9, 2019)*

*Resigned w.e.f May 2, 2019

BOARD OF DIRECTORS



Mr. Shailesh Haribhakti
Chairman - NSDL e-Governance and Independent Director
Eminent Chartered Accountant
Chairman, Haribhakti & Co LLP
(DIN : 00007347)

Mr. B. N. Srikrishna
Independent Director
Former Judge,
Supreme Court of India
(DIN : 01704550)

Mr. C. M. Vasudev
Independent Director
Former Secretary
Ministry of Finance, Govt. of India
(DIN : 00143885)

Ms. D. N. Raval
Independent Director
Eminent Lawyer,
Former Executive Director-SEBI
(DIN : 02792246)

Mr. J. Ravichandran
Director,
Group President NSE
(DIN: 00073736)

Mr. Karan Bhagat
Additional Director
Founder, Managing Director and Chief Executive Officer of IIFL Wealth
(DIN: 03247753)

Mr. Gagan Rai
Managing Director & CEO
NSDL e-Governance
(DIN : 00059632)

Mr. Jayesh Sule
Whole Time Director & COO
NSDL e-Governance
(DIN : 07432517)

MANAGEMENT TEAM

Mr. Gagan Rai	*Managing Director & CEO*
Mr. Jayesh Sule	*Whole Time Director & COO*
Mr. Chandrashekhar Tilak	*Executive Vice President & Chief Risk Officer*
Mr. Amit Sinha	*Executive Vice President*
Mr. Tejas Desai	*Executive Vice President & Chief Financial Officer*
Mr. Milind Mungale	*Executive Vice President & Chief Information Security Officer*
Mr. Dharmesh Parekh	*Executive Vice President & Chief Technology Officer*
Mr. Gopa Kumar T.N.	*Senior Vice President*
Mr. Hiten Mehta	*Senior Vice President*
Mr. Dattaram Mhadgut	*Senior Vice President*
Mr. Kapil Kapoor	*Vice President*
Ms. Ashwini Naigaonkar	*Vice President*
Mr. Vivek Acharya	*Vice President*
Mr. Devendra Rane	*Vice President*
Mr. Nitin Joshi	*Vice President*
Mr. Ankush Deshpande	*Vice President*

COMPANY SECRETARY

Mr. Maulesh Kantharia

Statutory Auditors	Secretarial Auditors	Internal Auditors
B S R & Associates LLP Chartered Accountants, Mumbai	S.N. Ananthasubramanian & Co, Company Secretaries, Thane	Aneja Associates, Chartered Accountants, Mumbai

BANKERS

IDBI Bank

HDFC Bank

Axis Bank

Corporation Bank

Central Bank of India

REGISTERED OFFICE

Times Tower, 1st Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

website: **www.egov-nsdl.co.in**
e-mail : **cs@nsdl.co.in**

CIN: **U72900MH1995PLC095642**

EVERY GREAT BUSINESS IS BUILT ON GREAT RELATIONSHIPS

The company is engaged in providing IT enabled e-Governance Services, *inter-alia* comprising PAN Card issuance, Tax Information Network (TIN) and National Judicial Reference System (NJRS) for Income Tax Department and, Electronic Accounting System in Excise & Service Tax (EASIEST) for Central Board of Indirect Taxes and Customs (CBIC), Central Recordkeeping Agency (CRA) for National Pension System, acting as a Registrar for Unique Identification Authority of India (UIDAI) including providing AADHAAR authentication services as Authentication Service Agency (ASA) & e-KYC services as KYC Service Agency (KSA), EzeeWill Service, e-Sign Service Provider(ESP) licensed by Controller of Certifying Authorities, Vidya Lakshmi Portal for education loan applicants, Vidyasaarathi Scholarship Portal, Workflow Management System for Central Board of Film Certification (CBFC), GST Suvidha Provider & Application Service Provider (ASP) and Data Centre Services.

NSDL e-GOVERNANCE INFRASTRUCTURE LIMITED
BAGGED THE PRESTIGIOUS GOLDEN PEACOCK AWARD FOR INNOVATION MANAGEMENT - 2018 IN THE AREA OF IT (e-GOVERNANCE SERVICES)

THE COVETED AWARD WAS RECEIVED BY MD & CEO OF **NSDL e-GOVERNANCE INFRASTRUCTURE LIMITED** ***AT THE GOLDEN PEACOCK AWARDS PRESENTATION CEREMONY, HELD ON 5TH DECEMBER 2018 IN SINGAPORE.***

BOARD REPORT

To
The Members,

Your Directors are pleased to present the Twenty - Fourth Annual Report and the Audited Financial Statements of the company for the financial year ended March 31, 2019.

1. FINANCIAL SUMMARY

1.1 Financial Results

Particulars	31-03-2019 (Rs. In Million)	31-03-2018 (Rs. In Million)
Income	7,911	9,247
Expenditure	5,894	7,174
Profit before depreciation	2,017	2,073
Depreciation	199	105
Profit before tax	1,818	1,968
Provision for Deferred Tax (Credit)	-1	-10
Provision for Tax	574	622
Profit after Tax	**1,245**	**1,356**

1.2 Performance at a glance

(Rs. in million except per share data)

Particulars	2018-19	2017-18	2016-17
Income	7,911	9,247	6,378
Expenditure	5,894	7,174	4,477
Depreciation	199	105	62
Profit before Tax	1,818	1,968	1,839
Profit after Tax	1,245	1,356	1,217
Net worth	6,655	5,699	4,655
Earnings Per Share			
- Basic (Rs.)	31.12	33.88	30.43
- Diluted (Rs.)	31.03	33.88	30.43
Dividend paid (%) (Face Value – Rs. 10 per share)	65%*	65%	65%

*proposed

1.3 Highlights of Financial Performance of the Company

During FY'19, Revenue from operations stood at Rs. 7,562 million as compared to Rs. 8,976 million in the previous year. The Profit Before Tax (PBT) during the year was marginally lower at Rs. 1,818 million as compared to Rs. 1,968 million in previous year. PBT margin however improved from 21% to 23% during this period. The Company has made provision for Tax of Rs. 574 million. No amount is proposed to be tranferred to reserves.

1.4 Dividend

Your Directors have recommended a dividend of 65% i.e. Rs. 6.5 per share for FY'19 for consideration of the shareholders. The dividend distribution would result in a cash outflow of Rs. 313 million including tax on dividend of Rs.53 million (Payout ratio of 25.18%)

2. MANAGEMENT DISCUSSION AND ANALYSIS

2.1 BUSINESS OVERVIEW

The company is engaged in providing IT enabled e-Governance Services, *inter-alia* comprising Tax Information Network (TIN), PAN card issuance and National Judicial Reference System (NJRS) for Income Tax Department and Electronic Accounting System in Excise & Service Tax (EASIEST) for Central Board of Indirect Taxes and Customs (CBIC), Central Recordkeeping Agency (CRA) for National Pension System, Registrar for Unique Identification Authority of India (UIDAI) including providing Aadhaar authentication & e-KYC services, e-Sign Service Provider (ESP) licensed by Controller of Certifying Authorities, Vidya Lakshmi Portal for education loan applicants, Vidyasaarathi Scholarship Portal, Workflow Management System for Central Board of Film Certification (CBFC), GST Suvidha Provider & Application Service Provider for GST and Data Centre Services.

2.2 ECONOMIC ENVIRONMENT

Global economy was projected to grow at 3.9% in 2018 and 2019 but the escalation of US-China trade tensions, macroeconomics stress, and financial tightening in the larger advanced economies have all contributed to a significant weakened global expansion. Global growth is projected to decline further to 3.3% in 2019. A pick up is expected in the second half of the year.

In India, continued implementation of structural and financial sector reforms with efforts to reduce public debt remain essential to secure the economy's growth prospects. Continued fiscal consolidation is needed to bring down country's elevated public debt. This should be supported by strengthening goods and services tax compliance and further reducing subsidies. Important steps have been taken to strengthen financial sector balance sheets, including through accelerated resolution of nonperforming assets under a simplified bankruptcy framework. These efforts should be reinforced by enhancing governance of public sector banks.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world in the next 10-15 years. India's GDP is estimated to have increased by 7% during FY 2018-19. India has retained its position as the third largest startup base in the world with technology start-ups. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US$ 412.90 billion as on March 31, 2019, according to data from RBI.

With improvement in the economic scenario, there have been significant investments in various sectors of the economy.

- M&A activity in India reached a record level of US$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US$ 20.5 billion.

- Total Gross Goods and Services Tax (GST) collections grew to Rs 106,577 crore (US$ 15.26 billion) in March 2019, compared to Rs 92,167 crore (US$ 13.20 billion) in March 2018.

- Mutual Funds asset base stood at Rs 23.80 trillion (US$ 340.34 billion) at end of March 2019 as against Rs 23.16 trillion (US$ 331.12 billion) at the end of February 2019.

- India's current account deficit (CAD) was 2.6 per cent during April- December 2018. The current account deficit (CAD) for FY 2017-18 stood at 1.9 per cent of GDP.

- India's Consumer Price Index (CPI) inflation rate rose to 2.86 per cent in March 2019 as compared to 2.57 per cent in February 2019.

2.3 IT & ITeS INDUSTRY

The Indian Information Technology / Information Technology enables Services (IT/ITeS) industry has contributed immensely in positioning the country as a preferred investment destination. The global sourcing market in India continues to grow at a higher pace compared to the IT- BPM (Business Process Management) industry. India is the leading sourcing destination for the world, accounting for approximately 55 per cent market share of the US$ 185-190 billion global services sourcing business in 2017-18.

Indian IT & ITeS companies have set up over 1,000 global delivery centers in about 80 countries across the world. India has become the digital capabilities hub of the world with around 75 per cent of global digital talent present in the country. Also, IT and ITes Sector in India has a low-cost advantage by being 5-6 times less expensive than the US. India's IT & ITeS industry grew from US$ 167 billion to US$ 181 billion in 2018-19. Exports from the industry increased to US$ 137 billion in FY'19 while domestic revenues (including hardware) advanced to US$ 44 billion. Spending on IT in India is expected to grow over 9 per cent to reach US$ 87.1 billion in 2018. Revenue from digital segment is expected to comprise 38 per cent of the forecasted US$ 350 billion industry revenue by 2025.

2.4 POLICY INITIATIVES BY THE GOVERNMENT DURING THE YEAR

- Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Our Prime Minister Shri Narendra Modi, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent.

- The Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

- A committee of experts headed by Justice (Retd.) Mr. B.N.Srikrishna ("The Committee") was constituted by MEITY in July 2017 to study various issues pertaining to data protection in India and to make specific suggestions on principles to be considered for data protection and to also suggest draft data protection legislation for the country. The ten-member committee was assigned the task of chalking out a comprehensive data protection framework that would balance the scales of data usage and user privacy. The committee submitted its report on data protection, along with a draft of Data Protection Bill 2018. The report is titled as ***"A Free and Fair Digital Economy- Protecting Privacy, empowering Indians".***

- In February 2019, the Government of India released the Draft National e- Commerce Policy which encourages FDI in the marketplace model of e- commerce. Further, it states that the FDI policy for e-commerce sector has been developed to ensure a level playing field for all participants.

- In December 2018, the Government of India revised FDI rules related to e-commerce. As per the rules 100 per cent FDI is allowed in the marketplace based model of e-commerce. Also, sales of any vendor through an e-commerce marketplace entity or its group companies have been limited to 25 per cent of the total sales of such vendor.

- In September 2018, the Government of India released the National Digital Communications Policy, 2018 which envisages increasing FDI inflows in the telecommunications sector to US$ 100 billion by 2022.

2.5 OPPORTUNITIES AND CHALLENGES

The Indian economy is expected to grow at 7% in FY 2018-19, as per Second Advance Estimates of Gross Domestic Product by Central Statistics Office (CSO). The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.

Although government has come up with several initiatives to facilitate access of citizens to public services, there exists a lot of scope of expansion. This can be largely attributed to various challenges such as, illiteracy, non-availability of user friendly interfaces, inadequate power supply in rural areas, low broadband penetration and most importantly, lack of awareness of e-Governance initiatives.

Notwithstanding above, challenges for the business are largely external. Any changes in the policies of the Government may affect or impact our business and prospects. We compete with other service providers in response to request for proposals and foresee intense competition in the future.

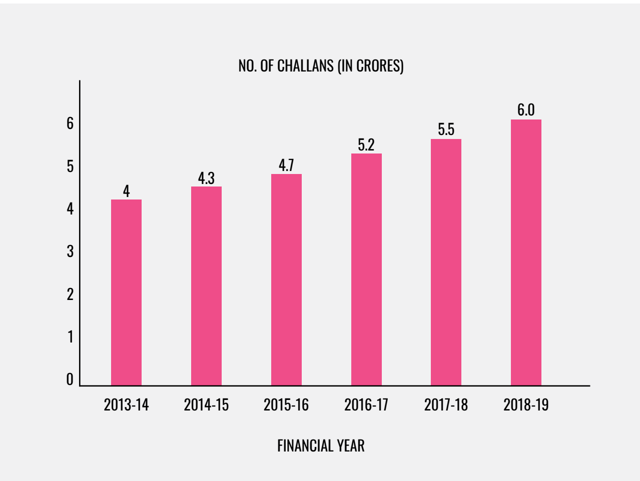
3. PROGRESS AT NSDL e-GOVERNANCE (NSDLe-Gov)

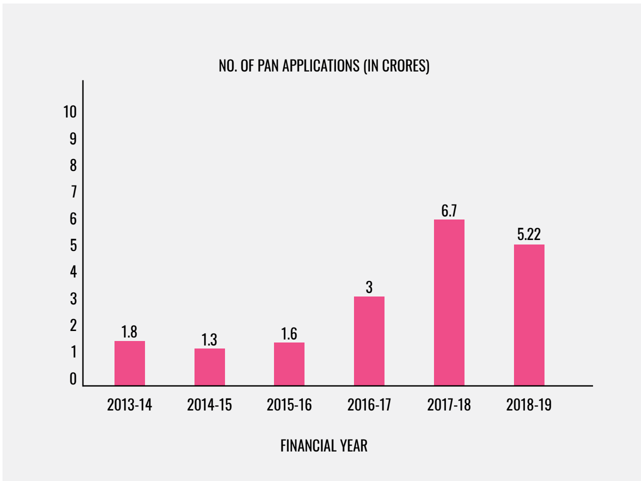
3.1 TAX INFORMATION NETWORK (TIN)

Your Company has established and manages nationwide Tax Information Network (TIN) on behalf of Income Tax Department (ITD). The principal component of TIN is the automation of system for administering Tax Deducted at Source (TDS) which today forms a significant part of direct tax collection. TIN receives online information on collection of direct taxes under various heads from the banks through 'Online Tax Accounting System' (OLTAS), which flows into the central database. Besides, TIN provides a facility to furnish Statement of Financial Transactions (SFT) containing information regarding high value transactions undertaken by various taxpayers. NSDL e-Gov also processes applications for Issuance of Permanent Account Number (PAN) and Tax Deduction and Collection Account Number (TAN). TIN also provides a facility to Government Offices (like PAO/ DTO/CDDO) for upload of Form 24G Statement being filed by Government offices. These Government offices are identified by the Accounts Office Identification Number (AIN) which is mandatorily required for furnishing Form 24G Statement. NSDL e-Gov processes applications for issuance of AIN to Government Offices. NSDL e-Gov also provides a facility on TIN portal, to furnish TDS statement cum challan (Form 26QB) for payment of TDS on the sale of immovable property. NSDL e-Gov provides a facility on TIN portal, to furnish TDS statement cum challan (Form 26QC) for payment of TDS on Rent of Property.

NSDL e-Gov has established connectivity with 26 tax collecting banks to upload tax collection data from more than 19,761 branches.

During the year, more than 6 Crore challans were uploaded by banks. As on March 31, 2019, 5,652 TIN Facilitation Centres (FCs) were operational across around 1,497 locations providing e-TDS Returns acceptance services to taxpayers. During the year, around 5.22 crore PAN applications were processed by NSDL e-Gov while, the cumulative number has exceeded 28.46 crores. 17,622 Centers were operational across 3,364 towns/cities providing PAN application acceptance services.





3.2 ELECTRONIC ACCOUNTING SYSTEM IN EXCISE & SERVICE TAX (EASIEST)

Your Company has established a facility for Central Board of Indirect Taxes and Customs (CBIC) to receive on its behalf online information on collection of indirect taxes by the banks. This system is called Electronic Accounting System in Excise and Service Tax (EASIEST) and it is similar to the OLTAS system developed by NSDL e-Gov for Central Board of Direct Taxes (CBDT). As a part of this system, taxpayers have been provided with a web-based facility to verify challan details in respect of tax payments to keep a track on the challan status. During the year under review, NSDL e-Gov system has received challan data in respect of 4.2 lakh challans.

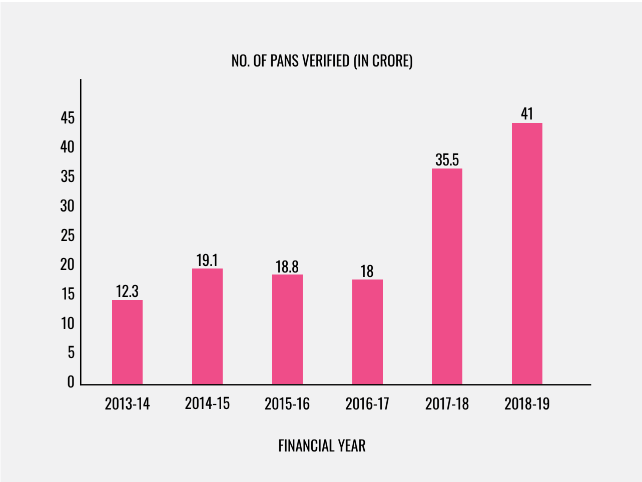
3.3 ONLINE PAN VERIFICATION (OPV) FACILITY

Your Company has established a portal to enable authorized entities to avail internet based service for verification of PANs i.e., Online PAN Verification (OPV) facility on behalf of Income Tax Department (ITD).

The users have three options for accessing this service viz;

1. Screen based PAN verification
2. File based PAN verification
3. Software based PAN verification

During the year, 41 crore PANs were verified by users of this service. As on March 31, 2019, 1,659 users were availing the OPV facility and around 162 crore PANs have been verified so far cumulatively.



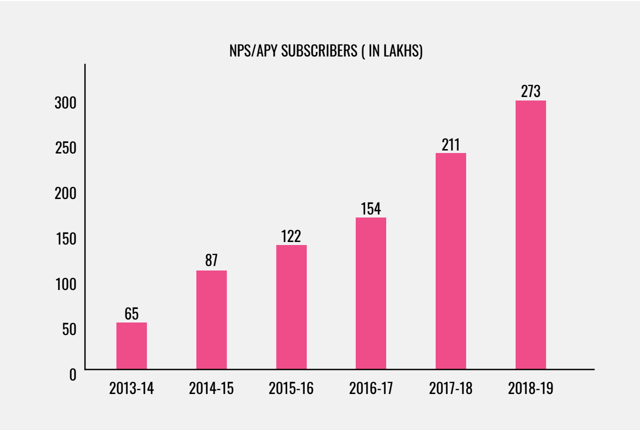
3.4 CENTRAL RECORDKEEPING AGENCY FOR NATIONAL PENSION SYSTEM

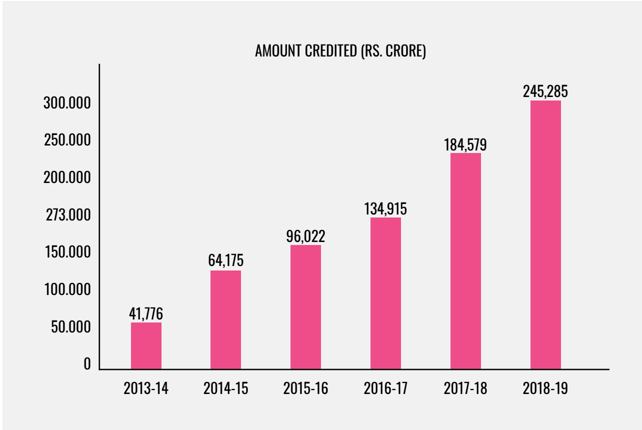
Your Company has been acting as the Central Recordkeeping Agency (CRA) for National Pension System (NPS) for the last 11 years. Along with Central Government, CRA services are being provided to various sectors namely, Central Autonomous Bodies (CABs), State Governments/Union Territories, State Autonomous Bodies (SABs), Corporate Sector, All Citizens of India (referred as unorganized sector- UOS),NPS LiteandAtalPensionYojana (APY).

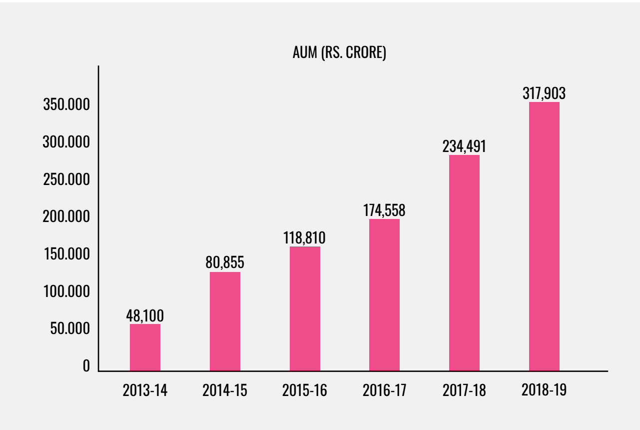
Sector-wise status of NPS as on March31, 2019 is given below:

Sr. No.	Sector	Number of Subscribers (Rs. In lakhs)	Pension Contribution (Rs. In Crore)
1	Central Government (including CABs)	19.8	78,376
2	State Government (including SABs)	43.2	1,24,191
3	All Citizens of India Sector	8.7	9,429
4	CorporateSector	8.0	24,399
5	NPSLite	43.6	2,555
6	Atal Pension Yojana (APY)	149.5	6,335
	Total	**272.8**	**2,45,285**

Total Assets Under Management (AUM) under NPS have increased from Rs. 234,490 Cr as of March 31, 2018 to Rs. 317,903 Cr as of March 31, 2019, a growth of 35%.







- **NPS Government Sector:** The Govt. sector consists of Central Government (including CABs) and State Governments/Union Territories (including SABs). So far, 31 State Governments/Union Territories have entered into agreement with NSDL e-Gov for availing its services as CRA. During last year, 5,009 Nodal Offices were registered for Government Sector. In all, more than 25,144 Nodal Offices of Central Government (including the offices of 578 CABs) and 2,41,841 Nodal Offices of State Governments (including the offices of 1,185 SABs) are registered with NSDLe-Gov.

- **NPS Private Sector:** NPS Private Sector consists of All Citizens of India sector (referred as UOS) and Corporate Sector. As of March 31, 2019, 76 entities were acting as Points of Presence (POPs) services subscribers under these sectors through 81,982 touch points across the country. So far, 5,771 Corporates have been registered to enroll their subscribers under NPS which also includes Public Sector Banks and Public Sector Enterprises which have mandatorily implemented NPS.

- **eNPS:** NSDL e-Gov in its continuous endeavor to simplify procedures and modalities of NPS, developed an online platform for registration and contribution. This process ensures that (PRAN) is available to the subscriber instantly. It has also provided the subscribers with convenience of contributing online anytime anywhere. Using this platform, a Subscriber can register online through his/her associated Bank (with PAN as mandated KYC supporting document). For verification of PANs, the KYC details of the subscribers are verified and authorized by their Bankers. Last year, another option was enabled wherein a Subscriber can also register through non-banking entities. In this case, similar to bank KYC verification, KYC is being carried out by the non- banking entity based on the existing relationship of the Subscriber with that entity. So far, 27 Bankers and 30 Non-Bank entities have joined eNPS for KYC verification process.

eSign facility has been integrated with eNPS platform to enable a subscriber to sign his/her PRAN application electronically. This process has eliminated the requirement of submission of physical documents to CRA. During last financial year, more than 1.89 lakh subscribers availed this facility. The facility to activate Tier II account by existing Subscribers has also been made available under eNPS and eSign option has been enabled for Tier II activation as well.

- **Atal Pension Yojana (APY):** APY is an initiative towards making India a pensioned society through financial inclusion. The assured pension and fixed instalment amounts with respect to the age not only makes the scheme more attractive to the economically weaker sections but also makes the product simpler and comprehendible. APY is being administered by PFRDA within the institutional architecture of NPS. The scheme has been implemented through Banks / Payment Bank and Department of Posts.

  Till March, 31, 2019, 406 APY Service Providers have joined and have registered around 1.66 Lakh branches under APY as service branches. 1.54 Cr. subscribers were registered under APY till March 31, 2019.

- **Online PRAN generation by Nodal Offices:** To facilitate the process of PRAN generation and timely upload of NPS contributions, NSDL e-Gov has developed and made available the functionality of Online PRAN Generation Module (OPGM) to Nodal Offices. So far, 33 Point of Presence (POPs) have adopted OPGM and have operated 1.66 lakhs PRANs.

  OPGM has also been adopted by 18 State Governments and a few Central Government Nodal Offices. During the financial year, 1.51 Lakh PRANs were generatedin Government Sectorusing OPGM.

  Empowering Subscribers

  Mobile App: In order to provide ease of access, NPS Mobile App has been made available for NPS Subscribers. Using this App, subscriber can access various functionalities such as Transaction Statement, contribution remittance, details of latest contributions, change in contact details, change in address details, change in Scheme preference Tier II. Withdrawal requests, option to raise grievances/queries, Pension and Returns Calculator.

- **Retirement Adviser:** The Retirement Advisers (RA) are appointed by PFRDA to engage in the activity of providing advice on NPS and thereby to extend the reach of NPS. The RA can be an individual, registered partnership firm, body corporate, or any registered Trust or society. An online platform has been made available during the financial year to facilitate registration of Retirement Advisers. As on March 31, 2019, there were 40 (RAs) registered in the CRA system.

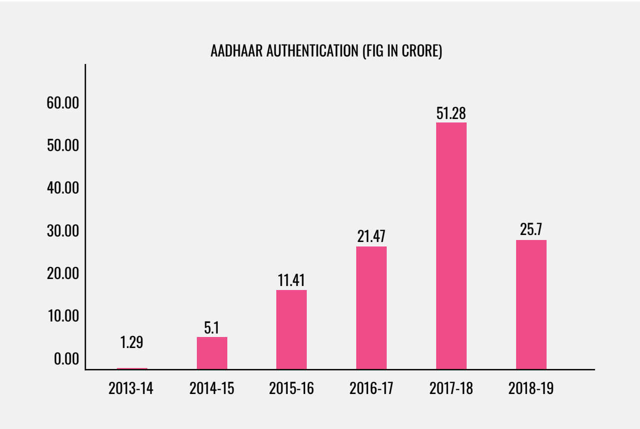
3.5 REGISTRAR, ASA, AUA, KSA AND KUA FOR UNIQUE IDENTIFICATION AUTHORITY OF INDIA

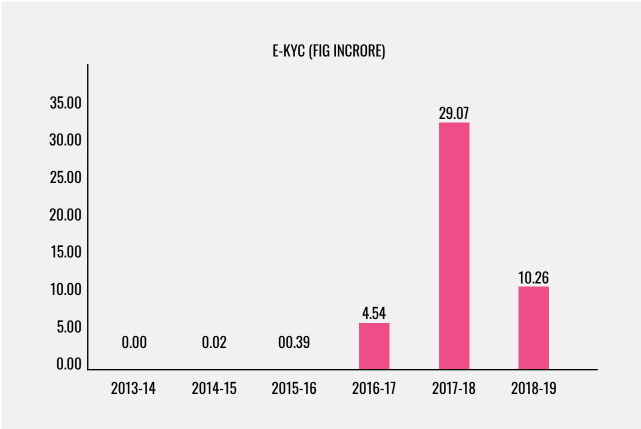
NSDL e-Gov i s as one of the Registrars of Unique Identification Authority of India (UIDAI) for the purpose of enrolment of residents for allotment of Unique Identification Number (called Aadhaar) on the basis of demographic & biometric details provided by the residents.

NSDL e-Gov has carried out more than 10.66 crore Aadhaar enrolments out of which, 9.15 crore Aadhaars have been generated by UIDAI. NSDL e-Gov ranks 5th amongst 194 Registrars of UIDAI in terms of number of Aadhaars generated and 3rd amongst Non-State Registrars.

NSDL e-Gov is authorised by UIDAI as an Authentication Service Agency (ASA) and Authentication User Agency (AUA) for providing Aadhaar Authentication Services and as KYC Service Agency (KSA) and KYC User agency (KUA) for providing Aadhaar based e-KYC services. e-KYC is a unique service through which Know Your Client (KYC) process can be performed electronically using Aadhaar database with explicit authorization by the Resident. Pursuant to Hon. Supreme Court verdict, UIDAI has discontinued Aadhaar authentication and e-KYC services to entities who are not complying with the Hon. Supreme Court judgement.

During FY 2018-19, your company has carried out 25.70 crore Aadhaar authentication and 10.26 crore e-KYC transactions. So far, 116.25 crore Aadhaar authentication and 44.29 crore e- KYC transactions have been carried out through NSDL e-Gov.





3.6 NATIONAL JUDICIAL REFERENCE SYSTEM (NJRS)

Income Tax Department (ITD) has appointed your company as the Implementation Agency (IA) for establishment of National Judicial Reference System (NJRS) to achieve efficiency in the tax litigation process.

NJRS is envisaged to provide mechanism to manage Appeals and Judgments through-

- **Appeals Repository and Management System (ARMS)** - ARMS is an online repository for all pending appeals at Income Tax Appellate Tribunal (ITAT), HighCourt (HC) and SupremeCourt (SC),
- **Judicial Research & Reference System (JRRS)** - JRRS is a repository of judicial orders as a single, indexed, searchable, cross-linked, database of Judgments / orders of ITAT, Authority of Advance Ruling (AAR), HC and SC.

Regional Scanning Centers (RSCs) have been setup at 28 locations for scanning of appeal documents. About 2.15 lac appeal documents of ITAT, HC and SC have been scanned so far.

Appeals and judgment data available in NJRS:

Particulars	Tribunal (ITAT)	High Court (HC)	Supreme Court (SC)	Total
Judgments	1,79,460	64,487	6,091	2,50,038
Appeal Data	5,20,161	2,11,009	28,644	7,59,814

3.7 VIDYALAKSHMI PORTAL FOR EDUCATIONAL LOAN SCHEMES OF BANKS

Vidya Lakshmi portal (VLP) has been developed under the guidance of Department of Financial Services, (Ministry of Finance), Department of Higher Education (Ministry of Human Resource Development) and Indian Banks' Association (IBA). This Portal is a first of its kind portal providing single window for Students to access information and make application for Educational Loans provided by Banks.

Students can view, apply and track the education loan applications to banks anytime, anywhere by accessing the portal. The portal also provides linkage to National Scholarship Portal.

During the year, functionality for Students to check eligibility and apply for Central Sector Interest Subsidy (CSIS), through VLP was developed and made available to the Students.

Progress so far:-

- Currently 36 banks and 81 loan schemes are registered on VLP
- As on March 31, 2019, a total of 8,77,800 students have registered on the VLP, out of which 2,82,044 students have applied for 3,73,117 loan schemes and 93,606 educational loans have been disbursed through VLP.
- It is now mandatory for Banks to route all Education Loans through VLP.

4. OTHER PROJECTS

(i) e-Sign Service Provider (ESP) licensed by Controller of Certifying Authorities (CCA)

e-Sign is an online electronic (digital) signature service to facilitate Aadhaar holders to digitally sign documents. UIDAI provides facility for Aadhaar authentication using biometric of the Resident or One Time Pin (OTP), sent on the respective mobile no. of the Resident registered with UIDAI. e-Sign aims at transforming the use of digital signatures and promote paperless digital environment using Aadhaar. eSign has been recognized as a valid mode of signature under provisions of Second Schedule of the Information Technology Act and Guidelines issued by CCA (Electronic Authentication Technique and Procedure) Rules, 2015. e- Sign services can be used for various purposes like digital signing of application for opening of bank account, loans, Trading and/or Demat Account, customer onboarding, e NACH mandate, application for PAN, application for Permanent Retirement Account Number (PRAN) for National Pension System (NPS)/Atal Pension Yojana (APY) etc.

92 entities comprising Banks, Insurance Companies, NBFC, Depository Participants, Stock Brokers, e-Commerce organizations, Financial institutions, Corporate Bodies etc. have been registered with NSDL e-Gov as ASPs. Online PAN application, Online NPS modules, e-CinePramaan and GSP of NSDL e-Gov have implemented e-Sign services and are operational as an ASP. So far, more than 3 crore e-Signs have been generated. NSDL e-Gov undertakes various marketing initiatives to make this service popular for various users & usages.

(ii) Vidyasaarathi Portal for online acceptance of applications and distribution of scholarships to students

Vidyasaarathi portal (VSP) is developed for online acceptance of scholarships applications and distribution of scholarships to students. VSP is a technology- enabled initiative by NSDL e-Governance Infrastructure Limited and Tata Institute of Social Sciences (TISS) to bridge the gap in education finance in the country through an online platform. This solution has the ability to bring together various stakeholders like Students, Institutes and Corporates on a single platform. The solution becomes more relevant in the wake of the recent Corporate Social Responsibility (CSR) policy mandate and will assist subscriber organizations in shaping their CSR policy related to education.

Features of Vidyasaarathi

- Corporates can design their own educational finance schemes.
- Easymanagement of designed Schemes.
- Online system for submission and processing of Scholarship application forms.
- Archiving and retrieval of past scholarship records.
- Central trust (TISS) for scholarship disbursal.
- Help Desk support for Students, Corporates and Institutes.

Progress as on March 31, 2019

1. Number of Corporates: 19
2. Number of Scholarship schemes published: 82
3. Total scholarship corpus: Rs. 8.94 Cr
4. Total scholarships awarded/disbursed: 2,304 students
5. Total scholarships due to be awarded/disbursed: 1,775

(iii) Film Certification Workflow Management System for CBFC

Central Board of Film Certification (CBFC) of the Ministry of Information and Broadcasting, Government of India has engaged NSDL e-Gov as the “Implementation Agency” for Design, Development, Implementation, Hosting and Maintenance of Online Film Certification Application Processing System and the CBFC website. This engagement is for a period of 3 years. This system enables applicants to submit film certification application online, upload scanned copies of supporting documents, make online payments and track the status of their certification application online. It also facilitates the CBFC officials to process the application, by providing a web- based interface to capture end-to-end application approval workflow for the departmental users associated with the certification process. This system would also help to better the inter departmental user interfaces, reduce administrative hassles, increase efficiency, transparency and minimize need of in person visits by the applicants(producers/agents) to CBFC Offices.

So far, more than 39,000 certificates have been generated through the System for Films of various categories. Digitisation of old paper certificates issued by CBFC before the launch of this system was also undertaken and has been completed. These digitised certificates have been made available in the new system for internal reference.

(iv) GST Suvidha Provider

Your company is a registered GST Suvidha Provider (GSP) with Goods and Services Tax Network (GSTN) and offers GSP as well as Application Service Provider (ASP) services to various entities such as Dealers, Tax Consultants, Service Centre and other ASPs.

Currently, users are able to file for GSTR 3B (summary Return), GSTR1 (sales invoices upload), GSTR-7 (TDS Return), GSTR-6 (Input Service Distributor) and ITC-04 (Job Work) and GSTR 9 (Annual Return) through NSDL gst Portal.

In addition to previously released features, the following features are released for users:

a) Track Filing status of any GSTIN.
b) Counterparty filing status across each invoice downloaded under GSTR-2A.
c) Year Till Date (YTD) report having as on date un-reconciled records across months in a single report.
d) Tolerance feature for forced matching of records.
e) Screen based and Bulk file upload option for Search taxpayer.
f) Fetching of GSTR-1 data (Actionable Invoices from GSTN).
g) Gap Analysis Report

Your company has also developed an on-premise Lite NSDLgst solution facilitating users to have such a solution at their own premises instead of on cloud .

NSDL GST Verification Services (GVS)

In addition to NSDL ASP and GSP services, GST Verification Services (GVS) has now been launched by your company, which is developed primarily to cater to the needs of Banks and other Lending Institutions. Many Lending institutions are interested in verification facility for their Clients to whom loans have been granted and to those who have applied for loan / overdraft facility.

NSDL (GVS) system enables the Lenders to verify GST compliance for their customers wherein, the Lenders will register on GVS system and the users of the lenders (i.e. branches) can request for the following for a specific period:

1. Track Return Status (single and bulk verification) will help to find whether the customer has filed GSTR-1 and GSTR-3B returns and by which dates.

2. Search GSTIN (single and bulk verification) will help to find whether GSTIN is correct and present in GSTNs database.

3. Get GSTR-1 (data of Sales transaction) either in Summary format or at counter party wise.

4. Get GSTR-3B (GST liability discharge statement) in Summary format.

5. Dealer Compliance Report (for current Financial year and previous Financial year).

Discussions are also in progress with Indian Banks' Association (IBA) for GVS services for public sector banks.

V) Overseas Project Opportunities

Your Company has been exploring business opportunities in various geographies like Malaysia, Philippines, Qatar etc. NSDL e- Governance Infrastructure Limited and Sterling & Wilson, a leading Indian multinational, have entered into a joint venture on May 29, 2019 to offer comprehensive e-governance IT solutions along with supporting business critical and turnkey Data Center solutions in Africa, Middle East and South Asian markets. The uniqueness of the JV, being a single-stop e-governance solution provider, envisages tremendous business potential in foreign markets and aims to tap a considerable segment of public as well as private sector businesses going forward.

5. QUALITY OF SERVICE

5.1 Training & Orientation Programmes

Presence of trained staff is a prerequisite to provide quality services to the customer. Hence, training the staff of the intermediaries such as Facilitation Centres is a function which is considered as one of the important areas by your Company. Your Company has been conducting training & orientation programmes for the staff of the intermediaries who are providing services to customers.

During the year, NSDL e-Gov facilitated four training programmes conducted by Income Tax Department/ Government Departments to train the Government as well as non-Government Deductors/ Collectors in the State of Maharashtra.

Several initiatives were taken to reach out to different stakeholders of NPS. During this Financial Year, 180 training programs were conducted across all sectors at various locations. These were organized primarily for Nodal Offices of Central & State Governments on various processes of NPS such as, operational requirements and process disciplines to be followed. More than 3,400 participants benefitted from attending these programs.

Subscriber Awareness Programmes (SAP) are conducted to complement the efforts of PFRDA to make NPS popular and increase the awareness about NPS across the Country. During this Financial Year, 134 SAPs were conducted across 128 cities. Around 11,600 people attended these awareness programs.

5.2 ISO Certifications

a. **ISO 27001:2013 Certification (Information Security Management Standard)**

The company understands the importance of the Data and Information handled while providing services to its customers. To ensure adequate safeguard of the said information, Information Security Management System has been adapted since last 15 years. As an assurance measure, the state-of-the-art technology has been implemented adhering to the ISO 27001 certifiable Information Security Standards.

b. **ISO 22301:2012 Certification (Business Continuity Management Standard)**

The company is committed to deliver service to its customers on continuous basis, without interruption. NSDL e-Gov has implemented Business Continuity Management System (BCMS) Standard (ISO/IEC 22301:2012) to establish, manage, maintain and continually improve Business Continuity capabilities / practices for CRA-NPS project. An organization structure comprising of cross-functional teams has been identified to ensure BCMS implementation is effective. Periodic testing of BCP plans is carried out to ensure that it helps to be an overall resilient organization.

c. **ISO 20000:2011 Certification (IT Services Management Standard)**

For effectively meeting the SLA requirements of the Regulator, the company has adopted ITSM (Information Technology Service Management) framework for Central Record Keeping Agency System (National Pension System). The ITSM policy objectives focus on customer satisfaction, leveraging of latest technology, alignment of business needs with IT services and maintaining domain expertise and productivity of people above defined benchmark levels. The importance of service quality and its continual improvement is accorded due importance to ensure and enhance customer experience. ITSM helps to identify areas for improvement in services delivery and support. The same is achieved by integration of People, Processes, Technology and Partners (Customers and Suppliers).

d. **ISO 9001:2015 Certification (Quality Management Standard)**

Foundation of any customer satisfaction is the Quality of Service. Considering the nature of services offered by the company and the volume of transactions, it is very important to maintain high service quality and on sustained basis. Towards this objective, the company has implemented ISO 9001 Standard for quality management of its TIN & PAN Processes.

5.3 Capability Maturity Model Integration (CMMI)

CMMI (Capability Maturity Model Integration) is a model developed by the Carnegie Mellon Software Engineering Institute (SEI). The model expresses maturity of organisations at various capability levels and also defines the characteristics of effective processes for satisfying the requirements at each level. As a de facto standard reference model for process improvement, it is used by numerous companies throughout the world. NSDL e-Gov was certified at CMMI for Services (CMMI SVC Version 1.3) - Level 5 for Central Recordkeeping Agency (CRA) – Subscriber Services and CRA Systems Infrastructure in April, 2017. An appraisal at maturity level 5 indicates that the organization is performing at the highest - an 'Optimising' level. At this level, processes are systematically managed by a combination of process optimization and continual process improvement. NSDL e-Gov, by implementing high maturity process areas of CMMI SVC level 5, has affirmed its commitment to deliver best services to all its customers.

5.4 TIA942 rated 4 Certification for Bengaluru Datacentre & Tier 3 certification for Pune

Your Company continues to hold TIA 942-A: 2014 Rated 4 Certification for its Data Center facility in Bengaluru.

Your Company continues to hold TIER III Certification from Uptime Institute Inc.

5.5 Inspections

Your Company carries out periodic inspections of the PAN Center's and Facilitation Centres for TIN and CRA. These inspections are conducted to verify whether these entities carry out operations as per the stipulated procedures. In case deviations are observed, appropriate penal action is initiated and entity is advised to immediately comply and plug the observations.

6. RISK MANAGEMENT

In the normal course of business, your Company is exposed to following risks:

(a) Business Risk: This is attributable to the impact of market behaviour on the revenues of your Company and sustainability of business across cycles.

(b) Business Continuity Risk: This arises out of possible inability to conduct business and provide services on account of damage to physical assets and breakdown of infrastructure due to natural calamities, accidents, breakdowns etc.

(c) Operational Risk: This arises out of any possible loss from operations due to third party liability, infidelity of employees, electronic & computer crimes, errors & omissions etc.

(d) Financial Risk: Your Company has been a zero-debt Company since its inception. The Company has followed the strategy of funding all its expansions, diversifications and infrastructure related expenditure through internal accruals.

(e) Legal and Statutory Risk: This is attributable to various legal and statutory compliances of laws and regulations governing the company.

(f) Technological Risk: This risk arises with fast advancement of technology at a very fast pace due to which the technology obsolete cycle is much faster than the envisaged life of the technology at the time of deployment.

To manage the aforesaid risks, your Company has taken the following measures:

6.1 Risk Management Policy

The Company has a Board approved Risk Management Policy which provides for Risk Management Governance Structure; Risk Management Process comprising Risk identification, Risk assessment, Risk treatment, Risk reviews & status update reporting at all levels.

As a part of implementation of the said Policy, various risks have been identified and Risk Assessment Framework has been defined. Risk Management training for Risk Owners, Risk Champions and Risk Coordinators were conducted. Top ten risks for the company have been identified and mitigation plans for the same have been developed. The implementation of mitigation plans is verified by the internal auditors. The policy is renewed by auditors and reported to Audit Committee.

6.2 Other Risk Mitigation Measures

i) Disaster Recovery Site

Your Company has set-up Backup Infrastructure operations at its Disaster Recovery Site (DRS) located at a geographically distant location. The readiness of the DRS is periodically tested. Your company continues to hold TIA 942 Rated 4 certified facility for its DRS Data Centre.

ii) Insurance

Your Company has obtained a comprehensive business risk insurance policy to cover risks associated with business operations. The scope of cover of this insurance policy includes infidelity of employees and other perils. The policies have been obtained for the below mentioned projects:

a. TaxInformationNetwork(TIN)
b. CentralRecordkeepingAgency(CRA)
c. NationalJudicialReferenceSystem(NJRS)
d. Aadhaarauthenticationande-KYCservices
e. eSign Services

All the above policies are obtained to mitigate business related risks involved.
Your company has also obtained following insurance policies to cover the organization level risk, the policies are as under:-

- Directors & Officers Liability policy
- Cyber Liability insurance policy

Apart from these, your Company has taken adequate insurance cover for premises and equipment. The policy obtained is Electronic Equipment Insurance(EEI) and Office Umbrella Insurance Policy.

All the policies are renewed on time to ensure continuity.

iii) Internal Controls and Audit

Your Company has well established processes and clearly defined roles and responsibilities at various levels. Comprehensive operational manual and standard operating procedures have been put in place in various departments of your Company. There is an independent audit firm appointed for conducting internal and operations audit. The scope of internal and operations audit is approved by the Audit Committee. The report of the Internal Auditor alongwith management response is placed before the Audit Committee which reviews the same and advises on improvements in the internal controls.

Adequate internal financial controls with reference to the Financial Statements have been implemented. Review of internal financial controls is carried out covering entity level controls, key financial controls and operational controls. In order to ensure the operating effectiveness of such controls, testing of these controls is independently carried out by the internal and operations auditors and the reportis reviewed by the Audit Committee. No Fraud is reported by the Auditors.

As a good IT-Governance practice, your Company undertakes Information Systems (IS) Audit for its TIN and CRA systems, every year.

IV) COSO 2017 ERM Framework:

Committee of Sponsoring Organizations of the Treadway Commission (COSO) provides thought leadership through development of comprehensive frameworks and guidance on internal control, enterprise risk management, and fraud deterrence designed to improve organizational performance and oversight. COSO Enterprise Risk Management (ERM) Framework 2017 focuses on integrating strategy with performance, highlights the importance of considering risk in both- strategy setting and driving performance. NSDL e Gov has adopted this framework during the year and is one of the very few corporates to have successfully implemented the same.

v) Information/Cyber Security

The Company is ISO 27001 certified with comprehensive data protection policy encompassing physical security, perimeter (network infrastructure) security, Application security, Quality assurance. NSDL e-Governance believes in defence-in- depth strategy and has implemented state of the – art technology to safeguard its information assets. Information Security Policy is documented and provides guidelines for protection of assets from unauthorized access, use, disclosure, disruption, and modification. It also provides appropriate guidance for proper action and remediation for any kind of Information Security incidence. Confidentiality, Integrity & Availability of asset /services, guidelines for Information classification and roles and responsibilities are covered. NSDL e-Gov has devised a Cyber Security Policy to ensure that provisions / practices of Cyber Security Framework are deployed in the organisation which encompasses deployment and maintenance of necessary Cyber Security Program in the organisation.

vi) Other Measures

Your Company has a Secretarial & Legal team to advise the company on issues relating to compliance with various laws. The Company has implemented a computerized system for reporting and monitoring of various compliance requirements applicable to the company under various laws. The Company also seeks outside legal advice, wherever needed. Your Company uses information technology extensively for its various businesses. All technology services are regularly reviewed and capacity planning and system enhancement is undertaken based on the analysis of current usage and future needs.

7) Code of Ethics and Vigil Mechanism

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company has adopted a Code of Ethics ("the Code"), which lays down the principles and standards that should govern the actions of the Company, its directors and employees. Besides, the Staff Rules adopted by the Company also govern the conduct of the employees.

The Companies Act, 2013 provides for establishment of a vigil mechanism for directors and employees of the Company to report genuine concerns. In view of the above, the Company has formulated 'Whistle Blower Policy' to enable its directors and employees to report instances of unethical conduct, actual or suspected fraud or violation of the company's Code and Staff Rules andtoprescribe the procedures to be followed by them.

Under this policy, any director or employee of the Company can report any actual or possible violation of the Code or Staff Rules or other applicable laws or an event he/she becomes aware of that could affect the business or reputation of the Company as per the procedure specified in the Policy. There is a Whistle Blower Committee constituted by the Company for overseeing the implementation of this Policy and to deal with complaints received under the Policy. The vigil mechanism so established provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. Vigil Mechanism is stated herein below. Weblink of the website : https://www.egov-nsdl.co.in/disclosures_notice.html.

8) HUMAN RESOURCES

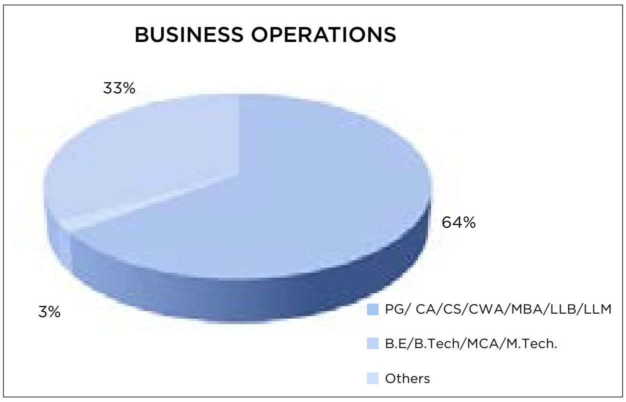
Your Company emphasizes on the quality of its human resources as employees are vital for the organization. The Company has created favourable work environment and has set up a human resource management system, which enables it to retain and attract high calibre employees. Employee relations at all locations are harmonious and cordial. The Company gives utmost importance to the training and development of its employees. Various training and orientation programmes are conducted, both in-house as well as external programmes. Officials across various levels are exposed to programmes according to their respective training needs. Your Company also nominates select employees to participate in various seminars and conferences both in India and abroad. A comprehensive induction programme is conducted for no recruits. Other training programmes are also conducted in order to keep abreast the employees in various technical, managerial and leadership areas. Special team building programmes are conducted for employees to increase their efficiency and performance as a team.

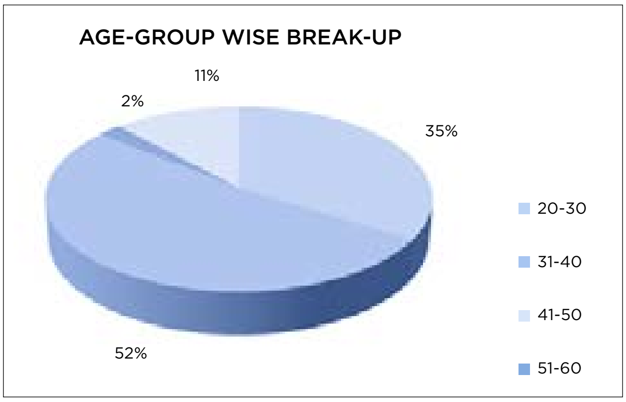
The Company also promotes family-friendly policies like Day Care and Work from Home which helps the employees in work like balance. A good work-life balance for employees improves their motivation, reduces employee stress and increases employee retention.

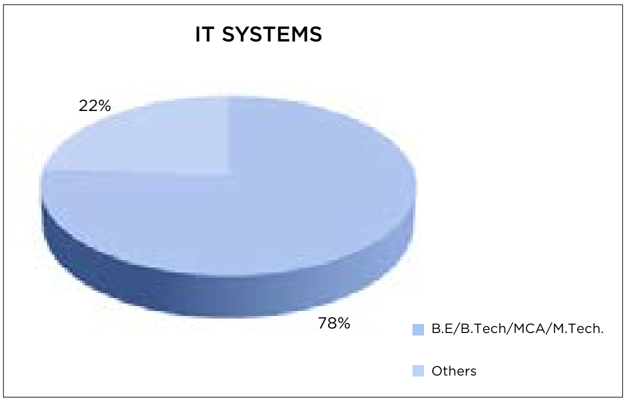
Our employee engagement index depicts an engaged workforce which stands tall at 85% vis-à-vis industry standard at 65% .

Qualification-wise and Age group-wise break up of employees is as follows:

Business Operations







9) CORPORATE GOVERNANCE

Corporate Governance primarily concerns transparency, full disclosure of material facts, independence of Board and fair play with all stakeholders. Your Company endeavours to constantly comply with and to continuously improve on these aspects with an overall view to earn trust and respect of the Members and other stakeholders. Corporate Governance at NSDL e-Governance Infrastructure Limited involves integrity, fairness, equity, transparency, accountability and commitment to values in all facets of its operations and dealing with all its stakeholders. Responsible corporate conduct is integral to the way your Company conducts business. The Company strongly believes in adhering to high standards of corporate governance & practices and implements it by constituting a Board with eminent experts who provide vision and direction to the Company. The Company aims at maintaining highest standards of transparency, complying with all applicable laws and regulations, conducting its business in an ethical manner and protecting the interests of investors and other stakeholders. Your Company believes in adopting and adhering to the best recognised corporate governance practices and continuously benchmarking itself against each of such practices.

As a Company with a strong sense of values and commitment, we believe that financial viability of projects must go hand in hand with a sense of responsibility towards all stakeholders. This is an integral part of your Company's business philosophy.

9.1 BOARD OFDIRECTORS

Your Board is entrusted with the requisite powers, authorities and duties to ensure highest level of integrity and transparency in all engagements of the Company. The Board also reviews long term as well as short term strategies of the Company from time to time and ensures statutory and ethical conduct with high quality financial reporting. The Board provides and evaluates the strategic direction of the Company, management policies & their effectiveness and ensures that the long term interests of all stakeholders are being served.

Your Company has highly professional and experienced management team consisting of business/functional heads who look after day-to-day affairs of the Company under the direction of Managing Director & Chief Executive Officer who functions under the overall supervision and control of the Board.

A. Composition and size of the Board

Your Company is managed and guided by professional Board comprising eminent persons with considerable professional expertise and experience in finance, legal, banking and other related fields. During the Financial Year 2018-19, the Board comprised of Nine (9) Directors, out of which Five (5) are independent; One (1) is Director and (1) is Additional Director other than the Managing Director & CEO and Whole Time Director & COO.

B. Board Procedures and Meetings

The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness. A minimum of four pre- scheduled Board meetings are held every year. The Board also holds at least one meeting every year to discuss only business strategic issues. However, in case of a special and urgent business need, the Board also approves by Circular Resolution, certain items of business which are permitted by the Companies Act and which cannot be deferred till the next Board Meeting. A tentative annual calendar of Board meetings is finalised in the Board meeting with the approval of all Directors to facilitate them to plan their schedules for ensuring their meaningful participation in the meetings. The Board meetings are usually held at the registered office of the Company.

The Agenda for the Board Meeting is prepared in consultation with the Managing Director & CEO. All departments of the Company are advised to communicate their work plans and / or business proposals to the Company Secretary well in advance so that the same can be included in the Agenda for the Board/Committee meetings for deliberations and approval. All material information is incorporated in agenda and the same with appropriate supporting documents, is circulated well in advance for facilitating meaningful and focused discussions at the meeting. Significant developments and material events are brought to the notice of the Board as a part of the agenda paper in advance of the meeting or by way of presentation and discussion material during the meeting.

During the year under review, Four (4) Board Meetings were held on June 15, 2018; August 10, 2018; November 30, 2018; and March 8, 2019.

C. Attendance of Directors at Board Meetings and number of other Directorships and Chairmanships/ Memberships of Committee of each Director in various companies:

Sr. No.	Name of the Director	Category	Attendance Particulars		Numberof other directorships		No. of Committee Positions held in other companies	
			No. of Board Meetings held during tenure	No. of Board meetings attended	In Public Companies	In Private Companies	Member	Chairman
1	Mr. Ravi Narain *	Non-Executive Chairman / Independent	4	4	2	None	2	None
2	Mr. Shailesh Haribhakti #	Non-Executive/ Independent	4	3	9	6	5	4
3	Mr. C.M.Vasudev	Non-Executive/ Independent	4	4	5	1	4	None
4	Justice (Rtd.) Mr. B.N.Srikrishna	Non-Executive/ Independent	4	4	2	1	None	None
5	Ms. D.N. Raval	Non-Executive / Woman Independent	4	4	7	None	2	None
6	Mr. J. Ravichandran	Director	4	4	7	2	1	None
7	Mr. Karan Bhagat @	Additional Director	1	0	1	1	None	None
8	Mr. Gagan Rai	Managing Director & CEO	4	4	None	None	None	None
9	Mr. Jayesh Sule	Whole Time Director & COO	4	4	None	None	None	None

* Mr. Ravi Narain, (DIN: 00062596) an Independent Director & Chairman of the Board of NSDL e-Governance Infrastructure Limited has resigned on May 02, 2019.
# Mr. Shailesh Haribhakti, (DIN: 00007347) an Independent Director appointed as Chairman of the Board of NSDL e-Governance Infrastructure Limited w.e.f June 5, 2019.
@Mr. Karan Bhagat (DIN 03247753) was appointed as an Additional Director (Non-executive) of the Company w.e.f November 30, 2018 to hold office from the date of this meeting till the date of next Annual General Meeting.

Note:

1) Number of directorships and committee memberships are compiled based on the latest declarations provided by the Directors.
2) While considering Memberships/Chairmanships of Committees, only the Audit Committee and Stakeholders' Relationship Committees in all Public Limited Companies have been considered.

D. Board level Changes

Mr. Karan Bhagat (DIN 03247753) was appointed as an Additional Director (Non-executive) of the Company w.e.f November 30, 2018 to hold office till the date of next Annual General Meeting.

Mr. Ravi Narain, (DIN: 00062596) an Independent Director & Chairman of the Board of NSDL e- Governance Infrastructure Limited has resigned on May 02, 2019.

Mr. Shailesh Haribhakti, (DIN: 00007347) an Independent Director appointed as Chairman of the Board of NSDL e-Governance Infrastructure Limited w.e.f June 5, 2019.

Following is the current composition of the Board:

Sl. No	Name	Category / Designation
1.	Mr. Shailesh Haribhakti	Independent Director
2.	Justice (Retd.) Mr. B.N. Srikrishna	Independent Director
3.	Mr. C.M. Vasudev	Independent Director
4.	Ms. D.N. Raval	Woman Independent Director
5.	Mr. J. Ravichandran	Director
6.	Mr. Karan Bhagat	Additional Director
7.	Mr. Gagan Rai	Managing Director & CEO
8.	Mr. Jayesh Sule	Whole Time Director & COO

The Company has received declarations from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act,2013.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. J. Ravichandran, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re- appointment.

Mr. Karan Bhagat (DIN 03247753) who was appointed as Additional Director w.e.f. November 30, 2018 and who

holds office till the date of ensuing Annual General Meeting, his appointment/designation will get ratified as Director of the Company, liable to retire by rotation subject to approval of members.
Ms. D. N. Raval (DIN 02792246), Woman Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, will be re-appointed as a Woman Independent Director of the Company for a term of three years w.e.f January 1, 2020 on expiry of her initial term and whose office shall not be liable to retire by rotation subject to approval of members.

All these appointments have been recommended by the Nomination & Remuneration Committee & the Board.

9.2 BOARD COMMITTEES

The Board has constituted various committees of Directors to take informed decisions in best interest of the Company. These Committees monitor the activities falling within their terms of reference. The Board committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas/ activities which concern the Company and require a closer review. The Board committees are set up with the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by members of the Board as a part of good governance practice. The minutes of the meetings of the Committees are placed before the Board. During the year, the following four committees of the Board were functional;

- Audit Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

The composition, objectives and other details of these Committees are given below:

A. Audit Committee

The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and other regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company as also review quarterly and annual financial accounts of the Company. The Committee reviews reports of the Internal Auditors and Statutory Auditors and discusses their findings, suggestions, internal control system, scope of audit, observations of the auditors and also reviews accounting policies followed by the Company. The Committee also reviews the Operations Audit Reports submitted by Operations Auditors alongwith management response and suggests measures for further improvements in areas of operations and risk management. The terms of reference of the Committee are in line with the provisions of Section 177(4) of the Companies Act, 2013. During the financial year under review, Audit Committee was chaired by Mr. Shailesh Haribhakti, with Mr. Ravi Narain, and Mr. C.M Vasudev as its members. All three members of the Committee are Independent Directors. The Managing Director & CEO, Whole Time Director & COO, Chief Financial Officer, Chief Risk Officer & Chief Information Security Officer are permanent invitees to the meetings of Audit Committee.

All members of the Audit Committee have good knowledge of financial matters. The Chairman of the Audit Committee, Mr. Shailesh Haribhakti, Independent Director, is a Chartered Accountant, Cost Accountant and Certified Internal Auditor. He possesses extensive accounting and related financial & risk management expertise. The Chairman of the Audit Committee also attends the Annual General Meeting. The composition of the Audit Committee meets the requirements of the Companies Act. Company Secretary of the Company acts as

Sr. No.	Name of the Member	No.of meetings held	No. of meetings attended
1	Mr. Shailesh Haribhakti	4	4
2	Mr. Ravi Narain *	4	4
3	Mr. C.M Vasudev	4	4

the Secretary to the Audit Committee. During FY' 19, four meetings of the Audit. Committee were held. Details of attendance of each director at the Committee Meetings held during the year are as follows:

*Not a member w.e.f May 2, 2019 on account of resignation.

B. Nomination & Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee with Justice (Retd.) Mr. B.N. Srikrishna as Chairman and Mr. Ravi Narain, and Ms. D.N. Raval as members of the Committee. All three members of the Committee are Independent Directors.

The Committee identifies persons who are qualified to be co-opted as directors and recommends to the Board their appointment. The Committee carries evaluation of every director's performance. It also formulates the criteria for determining qualifications, positive attributes of Directors and Senior Management Personnel. It recommends to the Board, policy relating to the remuneration for the directors, key managerial personnel and other employees. Accordingly, the company has in place a Board approved Remuneration Policy.

The Committee is also involved in recommending to the Board revision in the salary structure for employees and in deciding terms of appointment / re-appointment and grant of Annual Increment and Performance Linked Incentive for Managing Director & CEO and Whole Time Director & COO. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of directors.

The Composition of the Nomination and Remuneration Committee meets the requirements of the Companies Act. Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee. Details of attendance of each director at the Nomination and Remuneration Committee Meeting held during the year are as follows:

Sr. No.	Name of the Member	No. of Meetings held	No. of meetings attended
1	Mr. B.N. Srikrishna	4	4
2	Mr. Ravi Narain*	4	4
3	Ms. D.N. Raval	4	4

* Not a member w.e.f May 2, 2019 on account of resignation.

C. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee acts under the Chairmanship of Mr. Ravi Narain with Ms. D.N. Raval & Mr. Gagan Rai as members. The composition of the Committee meets the requirements of the Companies Act, 2013 and Rules notified thereunder. The Committee has formulated a Corporate Social Responsibility Policy which indicates the activities to be undertaken by the company. The Committee recommends to Board the amount of expenditure to be incurred on the activities to be undertaken by the company and monitors the CSR Policy of the company from time to time. The Committee reviews the implementation reports submitted by recipients of funds and evaluation reports submitted by Independent Evaluator.

The Committee meets periodically to discuss matters relating to CSR of the Company. Company Secretary acts as the Secretary to the Committee.
Details of attendance of each director at the CSR Committee Meetings held during the year are as follows:

Sr. No.	Name of the Member	No. of Meetings held	No. of meetings attended
1	Mr. Ravi Narain*	4	4
2	Mr. Gagan Rai	4	4
3	Ms. D.N. Raval	4	4

* Not a member w.e.f May 2, 2019 on account of resignation.

D. Risk Management Committee

The Board at its meeting held on March 16, 2018 has constituted Risk Management Committee (RMC) consisting of representatives of the Board i.e Mr. Ravi Narain, Mr. Shailesh Haribhakti & Mr. J. Ravichandran as its members. Mr. Karan Bhagat was inducted on March 8, 2019 as its member.

Details of attendance of each director at the Risk Committee Meetings held during the year are as follows:

Sr. No.	Name of the Member	No. of Meetings held	No. of meetings attended
1	Mr. Shailesh Haribhakti	3	3
2	Mr. Ravi Narain*	3	3
3	Mr. J. Ravichandran	3	3
4	Mr. Karan Bhagat$	-	-

*Not a member w.e.f May 2, 2019 on account of resignation.

$Inducted as member on March 8, 2019 (w.e.f March 9, 2019)

E. Meetings of the Independent Directors

In terms of the provisions of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held without participation of non- independent directors and management representatives, inter alia, to discuss:

(a) the performance of non-independent directors and the Board as a whole;

(b) the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors

(c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the said Meeting. The meetings of Independent Directors are chaired by Justice (Retd.) Mr. B.N. Srikrishna whohas been electedas Lead Independent Director.

9.3 CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR

Nomination & Remuneration Committee has formulated the following criteria:

1. Any person who in the opinion of the Board is not disqualified under section 164 of the Companies Act, 2013 and who possesses ability, integrity, relevant expertise and experience can be appointed as director of the Company.

2. Any person who is proposed to be appointed as Independent Director shall meet the criteria specified under section 149(6) of the Companies Act, 2013 and shall possess qualifications as stated in Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and shall comply with the Code of Conduct specified in Schedule IV of the Companies Act, 2013 as amended or re-enacted from time to time.

3. The Company shall obtain adequate declarations from prospective candidate about his eligibility, consent and non-applicability of disqualifications.

9.4 BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, an annual performance evaluation of the Board as whole, the directors individually as well as the evaluation of the Committees of the Board has been carried out in the following manner as per the parameters laid down:

- As required under Section 178 (2), the Nomination and Remuneration Committee has carried out evaluation of every director's performance;
- As required under Schedule IV, Independent Directors of the Company have carried out performance evaluation of the Chairman and of non-independent directors and Board as a whole and have also assessed the quality, quantity and timeliness of flow of information between the company management and the Board;&
- As per section 134 (3) (p) read with schedule IV, the entire Board has carried out evaluation of its Committees and Independent Directors.

9.5 REMUNERATION POLICY

In accordance with the provisions of Companies Act, 2013, the Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy relating to the remuneration for the directors, key managerial personnel and other employees.The Board approved Remuneration Policy is set out as **Annexure A** and forms part of this report. Remuneration Policy is stated herein below. Weblink of the website : https://www.egov-nsdl.co.in/disclosures_notice.html.

During F.Y. 2017, your Company introduced NSDL e-Governance Infrastructure Limited – Employee Stock Option Plan 2017 ("ESOP 2017") which covers eligible employees of the Company and its future subsidiaries. The company has granted stock options (each option carrying entitlement for one equity share) on December 4, 2017 to eligible employees at an exercise price of Rs. 310 per share. These stock options vested after the expiry of one year from the date of grant and can be exercised during the period of three and four years as per grant conditions for respective employees from the date of vesting at the exercise price. The Board at its meeting held on March 8, 2019 approved the allotment of equity share in accordance with the terms of ESOP scheme, 2017 and purshuant to excercise of stock options by Employees of the company, 5,300 fully paid equity shares of Face Value of Rs. 10 each of the company for cash with premium of Rs. 300 per equity share aggregating to Rs.53,000. Relevant disclosures under the Companies Act, 2013 on Employee's Stock Option is set out as **Annexure F** and forms part of this report.

9.6 SHAREHOLDING PATTERN

Shareholding Pattern as on March 31, 2019 is as follows:

Sr. No.	Names of Shareholders	% of shareholding
1	NSE Investments Limited (erstwhile known as NSE Strategic Investment Corporate Limited)	25.045
2	Administrator of the Specified Undertaking of the Unit Trust of India-DRF	6.830
3	IIFL Special Opportunities Fund	7.236
4	IIFL Special Opportunities Fund - Series 4	6.248
5	IIFL Special Opportunities Fund - Series 2	5.041
6	State Bank of India	5.000
7	HDFC Bank Ltd.	5.000
8	AXIS Bank Limited	5.000
9	Deutsche Bank A.G.	5.000
10	IIFL Special Opportunities Fund - Series 5	4.868
11	Citicorp Finance India Ltd.	3.125
12	HSBC Ltd.	3.125
13	Standard Chartered Bank	3.125
14	Oriental Bank of Commerce	2.283
15	Union Bank of India	2.812
16	IIFL Special Opportunities Fund - Series 3	2.333
17	Dena Bank	1.563
18	Canara Bank	1.25
19	IIFL Special Opportunities Fund - Series 7	4.158
20	IIFL Special Opportunities Fund - Series 6	0.115
21	Soach Global Digital Infrastructure Holdings Limited	0.843
22	ESOP Holders	0.013
	Total	**100**

9.7 GENERAL BODY MEETINGS

The details of the Annual General Meetings (AGM) held during the last three years are given below:

AGM	Date	Venue
21st AGM	September 8, 2016	Times Tower, 1st Floor, Kamala Mills Compound , Lower Parel, Mumbai - 400013
22nd AGM	September 20, 2017	The Taj Mahal Palace Gateway Room, Colaba Mumbai
23rd AGM	August 10, 2018	Times Tower, 1st Floor, Kamala Mills Compound , Lower Parel, Mumbai - 400013

The Twenty Fourth Annual General Meeting of your Company is scheduled to be held on September 16, 2019 at 10.00 a.m. at the Registered office of NSDL e- Governance Infrastructure Limited, Times Tower, 1st Floor, Kamala Mills Compound, Lower Parel, Mumbai–400013.

9.8 GENERAL SHAREHOLDER INFORMATION

- **Company Registration details:**
  The Company is registered with the Registrar of Companies, Mumbai, State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U72900MH1995PLC095642.

- **Financial year:** 1st April to 31st March

- **Record date for dividend payment:** Date of AGM

- **Listing on stock exchange:** The Company is not listed in any of the stock exchanges in India or abroad.

- **Name, Address and Contact details of Registrar and Transfer Agent, if any:** Alankit Assignments Ltd. Alankit Heights | 3E/7 Jhandewalan Extension | New Delhi - 110055, India

- **Branch offices**
  The Company's branch offices are located atNew Delhi,Kolkata, Chennai and Ahmedabad.

NEWDELHI	KOLKATA	CHENNAI	AHMEDABAD
409/410,Ashoka Estate Bldg., 4th Floor, Barakhamba Road, Connaught Place, New Delhi – 110 001	5th Floor, "The Millenium", Flat No. 5W, 235/2A, Acharya Jagdish Chandra Bose Road, Kolkata – 700 020	6A, 6th Floor, Kences Tower, # 1 Ramkrishna Street, North Usman Road, T. Nagar, Chennai – 600 017	Unit No. 407, 4th Floor, 3rd Eye One CommercialComplex Co-op. Soc. Ltd., C.G. Road, Ahmedabad – 380 006

- **Address for correspondence:**
  Shareholders' correspondence should be addressed to the Company Secretary at the Registered office of the Company, for any assistance.

  Tel.: (022) 4090 4200
  E-mailID: **cs@nsdl.co.in**
  Website: **www.egov-nsdl.co.in**
  CIN: **U72900MH1995PLC095642**

10 CORPORATE SOCIAL RESPONSIBILITY

Your Company has been making contributions to socially useful projects since 2007. In accordance with the provisions of the Companies Act, 2013 the Company has re- constituted the Corporate Social Responsibility (CSR) Committee of the Board and has adopted a CSR Policy which inter-alia provides the CSR activities which can be undertaken by the Company. The CSR projects undertaken by the Company are broadly covered under the following areas as permitted under Schedule VII of the Companies Act, 2013:

- Promoting healthcare including preventive healthcare;
- Promoting education including special education;
- Setting up homes and hostels for women and orphans &
- Promoting gender equality and empowering women.

The Annual Report as required under Companies (CSR Policy) Rules, 2014, on CSR activities undertaken by the Company is annexed herewith as Annexure B and forms part of the Report.

Sanganak Pradnya, IT Training Center for the Underprivileged Youth

Sanvedana Cerebral Palsy Vikasan Kendra
(In Support Of Children Suffering With Cerebral Palsy)

Upgradation of Neurosurgery facility of KEM Hospital

Sanvedana Cerebral Palsy Vikasan Kendra
(In Support Of Children Suffering With Cerebral Palsy)

Vatsalya Child Care and Rehabilitation (Orphanage)

Swadhar, The project aims at social & economic empowerment of adolescent girls & women who have been victim of domestic violence by providing them shelter, care, life skills, literacy & vocational skills which enables them to take up wage or self-employment and become a contributing member to the society.

11 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that to the best of their knowledge and belief and according to the information and explanations obtained by them:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year i.e 31 March, 2019 and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively. In addition, the Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such system are adequate and operating effectively.

(f) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

12 OTHER DISCLOSURES

i) SUBSIDIARY

Your Company has set up a subsidiary company in Malaysia in 2017 in the name NSDL e-Governance (Malaysia) Sdn. Bhd. The said subsidiary is a Joint Venture between your company and SOTG Consultancy Sdn. Bhd. of Kuala Lumpur, Malaysia. Your company hold 51% and SOTG Consultancy holds 49% of the equity share capital in the said Joint Venture Company. The purpose of setting up the Joint Venture is to explore e-governance project opportunities in Malaysia and other neighboring countries. The financials of the subsidiary company are made available and consolidated in terms of the requirements of Section 129(3) of the Companies Act, 2013 and forms part of the Annual Report . Pursuant to provisions of section 129(3) of the Act read with Rule 5 of the Companies Accounts (Rules) 2014, a statement in Form AOC-1 is attached to the financial statements of the Company.

ii) AUDITORS

a) STATUTORY AUDITORS

The members at the Twenty First Annual General Meeting of the Company held on September 8, 2016 have appointed M/s BSR & Associates, LLP [ICAI Registration Number 116231W/W-100024] as Statutory Auditors of the Company to hold office for a period of five years from FY 2016-17 till the conclusion of AGM to be held in the year 2021 subject to ratification at every Annual General Meeting for which auditors had conveyed their acceptance. In accordance with company Amendment Act, 2017 enforced w.e.f 7th May 2018 by the Ministry of Corporate Affairs, the appointment of statutory auditors is not required to be ratified at every AGM.

Further, the Auditors' Report from Statutory Auditors does not contain any qualifications, reservations or adverse remarks for the finacial year 2018-19.

b) SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s S.N. Ananthasubramanian & Co, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure C. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The applicable Secretarial Standards have been duly complied by your Company.

c) INTERNAL AUDITORS

The Company has been undertaking Internal Audit since inception. In terms of the provisions of the Companies Act, 2013 and Rules notified thereunder, the Company has re- appointed M/s Aneja Associates, Chartered Accountants as Internal Auditors for FY 2018-19 to carry out Internal and Operations Audit of the Company. Internal Auditors carry out the audit as per the Audit Plan approved by the Audit Committee and submit report on a quarterly basis to the Audit Committee. Internal Auditors evaluate the effectiveness of internal controls and suggest measures for their improvement.

iii) PUBLIC DEPOSITS

The Company has not accepted any deposit under the Companies Act, 2013 from the public.

iv) RELATED PARTY TRANSACTIONS

During the financial year, there were no related party transactions made by the Company with related parties as defined under the Companies Act, 2013. The Company has, however, paid remuneration to Key Management Personnel pursuant to their employment which is in the ordinary course of business and at arms' length basis. The details of the transaction pertaining to FY'18 is set out in AOC -II.

v) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

The Company has taken following initiative in respect of conservation of energy:

Solar Photovoltaic (PV) Panels with Installed capacity of 20 Kw was commissioned at Data Center site in Pune. The Solar PV system at Datacenter site in Pune has generated 27,491 units in FY'19.

Further, the Company has used Information Technology extensively in its operations.

a) Foreign Exchangeearnings / outgoduringtheyear underreview

Sr. No.	Particulars	FY 2018-19	FY 2017-18
1	Foreign Exchange Earnings	Nil	Nil
2	Foreign Exchange Outgo/Expenditure incurred in foreign currency	139.83	100.95

vi) EXTRACT OF ANNUAL RETURN

The extract of the annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 in Form MGT9 is set out as **Annexure D** and forms part of this report. MGT-9 is stated herein below. Weblink of the website : https://www.egov-nsdl.co.in/disclosures_notice.html.

vii) PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is set out as **Annexure E** and forms part of this Report.

viii) ORDERS PASSED AGAINST THE COMPANY

During the year under review, there were no orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

ix) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has acquired 51% of share capital in NSDL e-Governance (Malaysia) Sdn. Bhd. The company had given a loan of Rs. 42 lacs to the overseas subsidiary, NSDL e-Governance (Malaysia) Sdn. Bhd. in F.Y. 2017-18. Subsidiry is yet to commence business operations and has not been given any guarantee covered under the provisions of Section 186 of the Companies Act, 2013. The investment made by the company are given in the notes to the financial statement.

x) MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which occurred during between the end of the financial year to which the financial statements relate and the date of this report.

xi) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy named as Positive Work Environment Policy in line with the requirements of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy has been formed to prohibit, prevent or deter the commission of acts of sexual harassment of women at workplace and to provide the procedure for redressal of complaints pertaining to sexual harassment. An Internal Committee ('IC') has been set up to redress complaints received regarding sexual harassment. All employees (regular or temporary including contractor employees, probationer, trainee and apprentice)are covered under this policy.

No complains were received during the year 2018-19. Awareness program for all employees was conducted during the year.

Pursuant to the companies (Accounts) Amendment Act, 2018 effective from 31 July 2018, the company has complied with provisions related to the constitution of Internal Committee under the Act.

13 CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's projections and estimates are based on the experience and actual results may vary depending upon industry conditions, Government policies and other incidental factors.

14 APPRECIATION

Your Directors are grateful for the support and co-operation extended by Government of India, Reserve Bank of India, Ministry of Finance, Ministry of Corporate Affairs, Ministry of HRD, Ministry of Textiles, Ministry of Information and Broadcasting, Pension Fund Regulatory and Development Authority, Central Board of Direct Taxes, Central Board of Indirect Taxes, Central Board of Film Certification, Unique Identification Authority of India, Controller of Certifying Authorities, State Governments/Union Territories, State Commercial Tax Departments, Department of Telecommunications (DOT), Indian Banks' Association, Business Partners, Facilitation Centers, Points of Service, Enrolment Agencies, Consultants, Suppliers and Bankers. Your Directors express their deep sense of appreciation to all the employees whose outstanding professionalism, commitment and initiatives have made the organization's growth and success possible.

Finally, the Directors wish to express their gratitude to the Members for their trust and support.

For and on behalf of the Board of Directors

Sd/-

Mumbai **SHAILESH HARIBHAKTI**

June 5, 2019 CHAIRMAN (DIN: 00007347)

ANNEXURES TO BOARD'S REPORT

ANNEXURE A

1. Policy

Statement Background

NSDL e-Governance Infrastructure Limited (NSDL e-Gov) is engaged in the business of providing Information Technology (IT) enabled e-Governance services to various clients. As a company in the IT & ITeS segment, it is dependent on highly-skilled individuals who specialize in a broad range of disciplines. The Company's ability to implement a comprehensive human capital strategy to attract, retain, reward, and motivate such individuals is fundamental to its long-term success. Compensation is a key component of the Company's human capital strategy, as the Company implements its client-focused integrated business model strategy and helps clients to automate their various processes in an efficient manner. NSDL e-Gov favours competitive, stimulating and fair remuneration structures offering an overall competitive and attractive remuneration package. Remuneration includes salary, any variable part of remuneration as well as social, pension and other benefits. The Companies Act, 2013 provides that Nomination and Remuneration Committee shall formulate a Remuneration Policy with approval of the Board, relating to the remuneration for the directors, key managerial personnel and other employees considering the following:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Policy

The Board of NSDL e-Gov, in continuation of company's pursuit to maintain a responsible, performance-based Remuneration Policy that is aligned with the long-term interests of the employees and shareholders, decided to formulate 'Remuneration Policy' to provide for the right balance between meeting shareholders' expectations and paying our employees competitively. Accordingly, a Remuneration Policy ("the Policy") has been formulated with a view to facilitate competitiveness by paying market-informed, competitive remuneration levels for comparable roles and experience, subject to performance; promote meritocracy by recognizing individual performance, with a particular emphasis on contribution and provide the appropriate balance of Fixed Remuneration and Variable Remuneration consistent with risk alignment, position and role in the company.

This policy comes into force with effect from September 1, 2014.

2. Purpose and Objectives

The objective of this document is to provide for a framework for adequately remunerating the directors, key managerial personnel and other employees to attract, retain and motivate directors and employees of the quality required to run the company.

NSDL e-Gov recognizes the following as the purpose of this Policy:

i) To support a performance culture that is based on merit, differentiate and reward excellent performance, both in the short and long term, and recognize the Company's values;

ii) To enable the Company to attract and retain employees, and motivate them to achieve results with integrity and fairness;

iii) To balance the mix of Fixed Remuneration and Variable Remuneration, to appropriately reflect the value and responsibility of the role performed day to day and to influence appropriate behaviors and actions;

iv) To maintain remuneration levels which is consistent with, and promotes, effective risk management practices;

v) To promote teamwork and collaboration across the Company; &

vi) To take into account the long-term performance of the Company, in order to create sustainable value for the Company's shareholders.

The Policy is to be approved by the Board of Directors and monitored in terms of implementation by the Nomination and Remuneration Committee of the Board.

3 Definitions

The definitions of some of the key terms used in this Policy are given below.

"Board" means the Board of Directors of the Company.

"Company" means NSDL e-Governance Infrastructure Limited.

"Director" means member of the Board of Directors of the Company.

"Employee" means every employee on the rolls of the Company (whether working in India or abroad).

"Key Managerial Personnel" means the Managing Director, the Deputy Managing Director, the Chief Operating Officer, the Chief Financial Officer, the Company Secretary and any other employee designated as Key Managerial Personnel by the Board.

"Nomination and Remuneration Committee" means the Nomination and Remuneration Committee constituted by the Board of Directors under the provisions of the Companies Act, 2013 including any of its amendment or re-enactment.

"Senior Management" means KMPs and employees in the cadre of Functional Heads and above.

"Fixed Remuneration" means the portion of remuneration which is payable to employees without any linkage to performance evaluation.

"Variable Remuneration" means portion of remuneration which is payable to employees on the basis of evaluation of their performance.

"Employee Stock Option" means a right granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the shares of the Company , at a pre-determined price as per the ESOP Plan of the Company.

4. Scope and Applicability

This Policy is applicable for determination of remuneration for the directors, key managerial personnel, senior management and other employees of the Company.

5. Remuneration Governance

5.1 The Board is responsible for approval of the Remuneration Policy as well as related rules and regulations. It also has overall responsibility for the approval of remuneration plans and remuneration expenses.

5.2 Nomination and Remuneration Committee is responsible for recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and reviewing the Remuneration Policy from time to time and recommending to the Board any changes required in the Policy.

5.3 The implementation of the Remuneration Policy is the responsibility of the Senior Management of the Company.

5.4 The Remuneration Policy shall be disclosed in the Board's Report submitted to shareholders every year.

6. Equal Remuneration Opportunity

The Company does not tolerate any form of discrimination, in particular discrimination based on ethnicity, gender, sexual orientation, religion, age, marital or family status, pregnancy, disability etc. All employment-related decisions, including decisions on remuneration, are based on an individual's qualifications, performance and behaviour and/ or other legitimate business considerations.

7. Remuneration Structure

The mix of Fixed and Variable Remuneration is designed to ensure adequate consideration of risk in remuneration decisions. It varies from employee to employee depending on their position and role within the Company.

7.1 Fixed Remuneration

Fixed Remuneration to employees, is normally paid in the form of salary and other allowances, benefits and fixed portion of performance linked incentive. It is based on the role and experience of the individual and his or her individual long-term sustained performance. Monthly salary is set at levels designed to retain employees throughout business cycles.

7.2 Variable Remuneration or Performance Linked Incentive

The level of Variable Remuneration granted to employees is entirely at the discretion of the Company, and may be zero in cases of substandard performance. The Company takes decisions on Variable Compensation based on absolute and relative performance of the Company, as well as individual performance of its employees.

7.3 Employee Stock Option Plan (ESOPs)

Granting ESOPs to employees is entirely the sole discretion of the Company, and may be granted in cases of exceptational performance. The primary objective of ESOP is to reward the key employees for their association, dedication and contribution to the goals of the Company. The Company intends to use this Plan to attract, retain and motivate key talents working with the Company, its Subsidiary, or its Holding Company, present or future as the case may be, by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability. The Company takes decisions on grant of ESOPs based on absolute and relative performance of the Company, as well as individual performance of its employees.

8. Determination of Remuneration for Employees

8.1 Total Remuneration of employees shall comprise appropriate mix of fixed and variable remuneration for all the employees in the cadre of Officer and above.

8.2 Total Remuneration of employees below the cadre of Officer shall comprise fixed remuneration as determined from time to time.

8.3 Fixed Remuneration for the new recruits shall be determined based on the role, experience, statutory requirements and other factors.

8.4 Fixed Remunerations during salary revision shall be determined based on the current functions and role of the respective levels and external factors.

8.5 Variable remuneration shall be derived for various levels based on the long term performance development and other external factors.

8.6 Total Variable Remuneration (PLI) payable to all employees in a year would be limited to 10% of the Profit After Tax (PAT) as per the audited financial statements of the previous financial year.

8.7 The Company adopts a performance culture with a strong emphasis on disciplined risk management, ethics and compliance-centered behavior.

8.7 A). Employee Stock Option Plan (ESOPs) – ESOPs may be granted to eligible employees subject to necessary approvals and prescribed limits under Companies Act, 2013 and Rules notified thereunder and any other applicable laws.
"Eligibility Criteria" means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for determining the eligibility of Employees for Grant of Employee Stock Options under the Plan.

8.8 Allocation and distribution decisions pertaining to PLI are based on the performance of the Company and the employee. To support this, the Company has a performance management system based on various performance rating criteria. This is well laid down in Staff Rules of the Company.

8.9 Performance management criteria are designed to foster teamwork and collaboration, as well as support a strong culture of ethical values and professional standards.

9. Determination of Remuneration for Directors

9.1 Non-ExecutiveDirectors

a) Non-Executive Directors shall be paid remuneration by way of sitting fee for attending each meeting of the Board or any Committee thereof within the permissible limits prescribed under the Companies Act, 2013 from time to time as may be approved by the Board / shareholders.

b) Directors may be paid Commission as a percentage of profits of the Company within the permissible limits prescribed under the Companies Act, 2013 from time to time.

c) Sitting fee and Commission payable to the Independent Directors and Women Directors shall not be less than the sitting fee and commission payable to other non- executive directors.

9.2 Managing Director / Whole Time Director

a) Managing Director / Whole Time Director shall be paid remuneration by way of monthly salary as approved by the Board & Shareholders within the limits prescribed under the Companies Act, 2013 and any rules framed thereunder.

b) Variable Remuneration to Managing Director / Whole Time Director shall be paid as a percentage of Annual Salary which shall not be less than 50% and more than 100% of the Annual Salary as may be determined by the Board and approved by the Shareholders.

c) Variable Remuneration to Managing Director / Whole Time Director shall be payable based on the evaluation of performance by the Board or Nomination and Remuneration Committee.

d) Managing Director / Whole Time Director shall also be entitled to various perquisites / benefits as determined by the Board and approved by the shareholders.

10 Review of remuneration package

10. Nomination and Remuneration Committee shall carry out review of remuneration package for employees at such intervals as decided by the Committee based on the business activities of the Company, profitability, industry conditions and regulatory situations prevailing in the Country and appropriately recommend to the Board revision in remuneration package for employees.

10.2 Any revision in the remuneration of Directors shall be subject to requisite approval of the shareholders under the applicable provisions of the Companies Act, 2013.

11 Amendment

Any amendment to this Policy shall require the approval of the Board of Directors upon recommendation from the Nomination and Remuneration Committee.

ANNEXURE B

THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. **A brief outline of the company's CSR policy, including overview of projects or programs being/proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

CSR Policy is stated herein below:
Weblink of the website: https://egov-nsdl.co.in/Brief%20outline%20of%20CSR%20Policy-New.pdf

2. **The Composition of the CSR Committee(As on June 5, 2019).**

Sr.No.	Name of Member	Designation
1	Ms. Dharmishta Raval	Chairperson, Woman Independent Director
2	Mr. J. Ravichandran	Director (Nominee)
3	Mr. Gagan Rai	Managing Director & CEO

**Mr.Ravi Narain, Chairman, Independent Director resigned on May 2, 2019.*

3. **Average net profit of the company for last three financial years**
Average net profit: Rs. 16,989 lakhs
4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above)**
The Company was required to spend Rs. 458.95 lakhs towards CSR during FY 2018-19 (Rs. 339.77 lakhs as 2% average net profit for last three financial years plus Rs. 107.3 lakhs as allocated balance carried forward (from FY 2017-18 & FY 2018-19) and Rs. 11.88 lakhs as unallocated balance - carried forward).
5. **Details of CSR amount spent during the financial year**
(a) Total amount spent during the financial year: Rs. 322.18 lakhs
(b) Amount unspent, if any; 111.80 lakhs
(c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs: 1) Local area or other 2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects programs	Cumulative Expenditure upto reporting period (!!)	Amount spent: Direct or through implementing agency (*)
1	Sant Rohidas Arogya Kendra Slum Health Care Project (Refer note i) For Implementing agency details	Promoting health care including preventive health care	1) Local 2)Aurangabad, Maharashtra	19,97,600	19,97,600	82,59,300	19,97,600
2	Sant Gadgebaba Arogya Kendra Slum Health Care Project (Refer note i) For Implementing agency details	Promoting health care including preventive health care	1) Local 2) Aurangabad, Maharashtra	13,46,250	13,46,250	56,61,250	13,46,250
3	Sanganak Pradnya (Refer note i) For Implementing agency details	Promoting education including special education	1) Local 2)Aurangabad, Maharashtra	6,29,000	6,29,000	35,46,000	6,29,000
4	Guruvarya Lahuji Salve Slum Health Center (Refer note i) For Implementing agency details	Promoting health care including preventive health care	1) Local 2)Aurangabad, Maharashtra	21,44,850	21,44,850	58,11,050	21,44,850

5	Dialysis and T.B. Medicine related services (Refer note ii) For Implementing agency details	Promoting health care including preventive health care	1) Local 2) Mumbai, Maharashtra	50,00,000	50,00,000	1,78,00,000	50,00,000
6	Childcare and rehabilitation Center (Refer note iii) For Implementing agency details	Setting up homes and hostels for women and orphans. Operating and maintaining shelters for orphans and women.	1) Local 2) Mumbai, Maharashtra	40,00,000	40,00,000	2,00,00,000	40,00,000
7	DIVYANGJAN (Refer note iii) For Implementing agency details	• Measures for reducing inequalities faced by physically & mentally challenged persons, and, socially and economically backward groups; • Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;	1) Local 2) Mumbai, Maharashtra	20,00,000	20,00,000	20,00,000	20,00,000
8	% Cerebral Palsy Vikasan Kendra (Refer note iv) For Implementing agency details	• Promoting health care including preventive health care • Promoting education including special education	1) Local 2) Latur, Maharashtra	21,73,000	21,73,000	1,03,96,080	21,73,000
9	Apang Ayuktalaya (Refer note v) For Implementing agency details	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	1) Local 2) Mumbai, Maharashtra	12,24,720	12,24,720	12,24,720	12,24,720
10	Swadhar (Refer note vi) For Implementing agency details	Promoting gender equality, empowering women	1) Local 2) Latur, Maharashtra	19,83,000	19,83,000	45,16,080	19,83,000
11	Dilasa Day Care Center – Second home and helpline for senior citizens) (Refer note vii) For Implementing agency details	Operating and maintaining old age homes, day care centers and such other facilities for senior citizens	1) Local 2) Maharashtra	19,41,400	19,41,400	40,93,800	19,41,400
12	Skills and Entrepreneurial quality development Program (Refer note viii) For Implementing agency details	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	1) Local 2) Mumbai, Maharashtra	20,00,000	20,00,000	20,00,000	20,00,000
13	Sahyogi Care Givers Training Scheme of The National Trust (Ministry for Social Welfare & Empowerment, Govt of India) (Refer note iv) For Implementing agency details	• Promoting health care including preventive health care • Promoting education including special education	1) Local 2) Latur, Maharashtra	7,78,700	7,78,700	18,92,700	7,78,700
14	Upgradation of Neurosurgery facility of KEM Hospital (Refer note ix) For Implementing agency details	• Promoting health care including preventive health care	1) Local 2) Mumbai, Maharashtra	25,00,000	25,00,000	25,00,000	25,00,000
15	Vidya Kaushal	• Promoting education	1) Local 2) Pan India	24,99,500	24,99,500	24,99,500	24,99,500
16	Vidya Saarthi Scholarship	• Promoting education	1) Local 2) Pan India	25,00,000	-	54,20,000	-
		Total		**3,47,18,020**	**3,22,18,020**	**9,76,20,480**	**3,22,18,020 (**)**

Notes –

1) (*) All projects are implemented by implementing agencies. Details of implementing agencies are as follows:
   i) Babasaheb Ambedkar Vaidyakiya Pratishthan
   ii) Nana Palkar Smruti Samiti
   iii) Vatsalya Trust, Mumbai
   iv) Sanvedana Cerebral Palsy Vikasan Kendra
   v) Punyatma Prabhakar Sharma Seva Mandal
   vi) Swayamsiddha Mahila Mandal
   vii) Parivartan Mahila Sanstha
   viii) Asmita
   ix) Malabar Hill Rotary Foundation

2) (**) Inclusive of amount spent on capacity building and administrative overheads

3) (!!) Amount spent from FY 2014-15 has been considered for arriving at cumulative expenditure upto reporting period

4) The Company has considered Maharashtra as local area for CSR projects.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report -

NSDL e-Governance Infrastructure Limited believes in creating a positive impact over the society to the extent feasible and is strongly committed towards Corporate Social Responsibility (CSR) and has been making contributions to various socially useful projects in accordance with its CSR Policy. In consonance with the broad provisions outlined in the Companies Act, 2013, the Company has spent Rs. 322.18 lakhs during FY 2018-19 on CSR activities / projects as defined in schedule VII of the Companies Act, 2013. During the year under review, the Company, while continuing to support its ongoing projects, has associated itself with some more new projects and also intends to expand its CSR initiatives in a systematic manner to create meaningful contribution in the development of the under- privileged and weaker sections of society. The Company envisages valuable CSR spend in more structured manner in future for which it has initiated a long term project in the field of education funding. In this context, Vidyasaarthi (VS) project was conceived and it became operational from January 2017. The student community is now aware of Vidyasaarthi (VS) scholarships and the applications have gradually started coming in and are being processed.

In view of above, Rs. 107.3 lakhs (funds earmarked for the VS project) plus Rs. 4.50 lacs (Unallocated balance) totaling to Rs. 111.80 lacs was unspent as on March 31, 2019. Scholarship applications of 213 students have been short listed after scrutiny, and, scholarships to these students, amounting to Rs 59,27,500.00, will be disbursed in due course.

7. CSR Committee states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/- **GAGAN RAI** *MD & CEO* DIN - 00059632	Sd/- **DHARMISHTA RAVAL** *CHAIRPERSON - CSR COMMITTEE* DIN - 02792246

ANNEXURE C

To,
The Members,
NSDL E-GOVERNANCE INFRASTRUCTURE LIMITED
CIN U72900MH1995PLC095642
Times Tower, 1st Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai 400013

OurSecretarialAuditReportfortheFinancialYearended31st March,2019ofevendateistobe read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively,

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's managementis adequate and appropriatefor us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For S. N. Ananthasubramanian & Co.
Company Secretaries
Firm Registeration no. P1991MH040400

S. N. Ananthasubramanian
Partner
COP No. : 1774
Date: 22nd May 2019
Place: Thane

Form No. MR- 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule NO.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014J

To,
The Members,
NSDL e-Governance Infrastructure Limited
CIN: U72900MH1995PLC095642
Times Tower, 1st Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai- 400013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NSDL e-Governance Infrastructure Limited** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutorycompliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2019** according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder - **Not applicable as the securities of the Company are not listed with any Stock Exchange;**

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not Applicable to the extent of Foreign Direct Investment and External Commercial Borrowings;**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (,SEBI Act'):- **Not applicable as the securities of the Company are not listed with any Stock Exchange.**
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (upto io" November, 2018) and Securities and Exchange Board of India (Issue of Capital and

Disclosure Requirements) Regulations, (with effect from 11th November, 2018);

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (upto 10th September, 2018) and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11thSeptember, 2018;
i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

vi. The Company has identified the following laws as specifically applicable to the Company:
a. Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013 and PFRDA (Central Recordkeeping Agency) Regulations, 2015 and applicable provisions of other allied intermediary regulations notified under PFRDA Act 2013 as amended from time to time;
b. Aadhar (Targeted Delivery of Financial and other subsidies, Benefits and Services) Act, 2016 and applicable provisions of Aadhar (Authentication) Regulations, 2016 and other Regulations notified under Aadhar Act, 2016 as amended;
c. Information Technology Act, 2000 and applicable provisions of Information Technology (Certifying Authorities) Rules, 2000 and and other allied Rules and Regulations notified under Information Technology Act, 2000.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s) -
Not applicable as the Securities of the Company are not listed with the Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All decisions of the Board and Committee thereof were carried with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of

Directors at their meeting(s), we are of the opinion that the Company has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and as informed, no material notice was received from any statutory / regulatory authority.

We further report that during the audit period no major event having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. above have taken place

The Report is to be read with our letter of even date which is annexed as Annexure A hereto and forms an integral part of this report.

For S. N. Ananthasubramanian & Co.
Company Secretaries
Firm Registeration no. P1991MH040400

S. N. Ananthasubramanian
Partner
COP No. : 1774
Date: 22nd May 2019
Place: Thane

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31st, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN: U72900MH1995PLC095642

ii) Registration Date: 27/12/1995

iii) Name of the Company: NSDL e-Governance Infrastructure Limited

iv) Category / Sub-Category of the Company : Company limited by shares, Indian Non-Government Company

v) Address of the Registered office and contact details: Times Tower, 1st Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai, 400013.

vi) Whether listed company: No

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: Alankit Assignments Ltd. Alankit Heights | 3E/7 Jhandewalan Extension | New Delhi - 110055, India

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	IT enabled e-Governance Services	631	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - N.A.

Sr. NO	Name And Address Of The Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NSDL e-Governance (Malaysia) Sdn. Bhd. Suite 8-4, 4th Floor, Jalan 9/23A, medan Makmur, Off Jalan Usahawan, Setapak, 53200, Kuala Lumpur, Malaysia	N.A.	SUBSIDIARY	51	Sec 2(87)

- NSDL e-Governance (Malaysia) Sdn. Bhd.is a Subsidiary Company.
- The company has subscribed 51% of the share capital of the subsidiary.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1.4.2018)				No. of Shares held at the end of the year (As on 31.3.2019)				% Change during the year
	Demat	Phys ical	Total	% of Total Shares	Demat	Phy sical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks / FI	27,32,000	0	27,32,000	6.83	27,32,000	0	27,32,000	6.83	0
f) Any Other....									
Sub-total (A) (1):-	27,32,000	0	27,32,000	6.83	27,32,000	0	27,32,000	6.83	0
(2) Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	27,32,000	0	27,32,000	6.83	27,32,000	0	27,32,000	6.83	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	1,40,00,000	0	1,40,00,000	35	1,36,63,000	0	1,36,63,000	34.15	(0.85)
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)AIF	1,20,00,000	0	1,20,00,000	30	1,20,00,000	0	1,20,00,000	30	0
Sub-total (B)(1):-	2,60,00,000	0	2,60,00,000	65	2,56,63,000	0	2,56,63,000	64.15	(0.85)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,12,68,000	0	1,12,68,000	28.17	1,12,68,000	0	1,12,68,000	28.17	0
ii) Overseas					3,37,000	0	3,37,000	0.84	0.84
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ESOP Holders)	0	0	0	0	5,300	0	5,300	0.01	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	1,12,68,000	0	1,12,68,000	28.17	1,16,10,300	0	1,16,10,300	29.02	0.85
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3,72,68,000	0	3,72,68,000	93.17	3,72,73,300	0	3,72,73,300	93.17	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**4,00,00,000**	**0**	**4,00,00,000**	**100**	**4,00,05,300**	**0**	**4,00,05,300**	**100**	**0**

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share-holding during the year
1	Administrator of the Specified Undertaking of the Unit Trust of India-DRF	27,32,000	6.83	0	27,32,000	6.83	0	0
	Total	27,32,000	6.83	**0**	**27,32,000**	**6.83**	**0**	**0**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)-

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	27,32,000	6.83	27,32,000	6.83
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
3	At the End of the year	27,32,000	6.83	27,32,000	6.83

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): As on March 31, 2019

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	NSE Investments Ltd (erstwhile known as NSE Strategic Investment Corporation Limited)	1,00,18,000	25.045	1,00,18,000	25.045
2	*IIFL Special Opportunities Fund (Transferred 5,45,827 shares on June 8, 2018)	34,40,334	8.601	28,94, 507	7.236
3	IIFL Special Opportunities Fund – Series 4	2,499,178	6.248	2,499,178	6.248
4	*IIFL Special Opportunities Fund – Series 2 (Transferred 1,91,443 shares on June 8, 2018)	22,07,809	5.520	20,16,366	5.041
5	State Bank of India	20,00,000	5.000	20,00,000	5.000
6	HDFC Bank Ltd.	20,00,000	5.000	20,00,000	5.000
7	AXIS Bank Limited	20,00,000	5.000	20,00,000	5.000
8	Deutsche Bank A.G.	20,00,000	5.000	20,00,000	5.000
9	IIFL Special Opportunities Fund – Series 5	19,47,396	4.868	19,47,396	4.868
10	Citicorp Finance India Limited	12,50,000	3.125	12,50,000	3.125

* Change in % of holding in IIFL Special Opportunities Fund and IIFL Special Opportunities Fund – Series 2 is on account of internal transfers by the Shareholders within the overall holding of 30% amongst varioures series. Transferred on June 8, 2018.

(v) Shareholding of Directors and Key Managerial Personnel: NIL

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
3	At the End of the year				

V. INDEBTEDNESS : NIL

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year • Addition • Reduction				
Net Change				
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Gagan Rai MD& CEO	Jayesh Sule WTD & COO	---	----	
1	**Gross salary** (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	4,37,95,924 31,09,778	1,80,39,950 44,700			6,18,35,874 31,54,478
2	**Stock Option**					
3	**Sweat Equity**					
4	**Commission** - as % of profit - others, specify...					
5	**Others, please specify - PF**	58,86,000	31,10,400			89,96,400
	Total (A)	5,27,91,702	2,11,95,050			7,39,86,752
	Ceiling as per the Act					19,08,00,000

B. Remuneration to other directors:

Sr. no.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Shailesh Haribhakti	Mr. C.M. Vasudev	Mr. B.N. Srikrishna	Mr. Ravi Narain	Ms. D.N. Raval	Karan Bhagat	
1	**Independent Directors** • Fee for attending board committee meetings • Commission** • Others, please specify	6,50,000 22,63,167	4,50,000 22,63,167	5,00,000 22,63,167	10,50,000 22,63,167	6,50,000 22,63,167	- -	33,00,000 1,13,15,835
	Total (1)	**29,13,167**	**27,13,167**	**27,63,167**	**33,13,167**	**29,13,167**	**-**	**1,46,15,835**
2	**Other Non-Executive Directors** • Fee for attending board committee meetings • Commission • Others, please specify	Mr. J. Ravichandran 4,00,000 22,63,167						4,00,000 22,63,167
	Total (2)	26,63,167						26,63,167
	Total (B)=(1+2)	55,76,334	27,13,167	27,63,167	33,13,167	29,13,167	-	1,72,79,002
	Total Managerial Remuneration							9,12,65,754
	Overall Ceiling as per the Act							20,98,91,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. no.	Particulars of Remuneration			
		Company Secretary	CFO	Total
1	**Gross salary** (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	21,84,468 5100	60,39,485 26,700	82,23,953 31,800
2	**Stock Option**			
3	**Sweat Equity**			
4	**Commission** - as % of profit - others, specify...			
5	**Others, please specify-PF**	**1,89,108**	**4,72,716**	**6,61,824**
	Total	**23,78,676**	**65,38,901**	**89,17,577**

VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Sr. No.	Type	Sections of the Companies Act	Brief Description Penalty	Details of Punishment Compounding fees	Authority [RD I Appeal if any / NCLT made, / COURT]	Appeal if any (give Details)
A.	**COMPANY** (i) Penalty (ii) Punishment (iii) Compounding					
B.	**DIRECTORS** (i) Penalty (ii) Punishment (iii) Compounding					
C.	**OTHER OFFICERS IN DEFAULT** (i) Penalty (ii) Punishment (iii) Compounding					

Annexure - E

Pursuant to Section 197 of the Companies Act, 2013

Name and Qualifications	Age*	Designation	Remuneration Received (Rs.)	Experience (No. of years)	Date of commencement of employment	Last Employment and Designation
Mr. Gagan Rai B.Com.(Hons), M.A. (Eco), I.C.W.A, C.A.I.I.B, D.P.P.E.C	63	Managing Director & CEO	52,791,702	44	01-Aug-96	Executive Director, NSDL
Mr. Jayesh Sule B.Com., F.C.A.	56	Whole Time Director & COO	21,195,050	35	29-Jul-96	Asst. Vice President, NSEIL

- Remuneration includes basic pay, other allowances, performance linked incentive, company's contribution to Provident Fund, Superannuation, Medical Reimbursement and value of perquisites.
- Nature of employment is contractual.
- None of the above is a relative of any Director.
- None of the above is holding equity share(s) in the Company.
- Employed throughout the financial year

* Age as on March 31, 2019.

Annexure - F

Disclosures under Companies Act 2013 and/or disclosures in notes to accounts

The following disclosure needs to be made in the Annexure to the Directors Report as per SEBI Regulations -

Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under -

Sr.No.	Particulars	NSOL e-Governance Inf rastructure imited - Employee Stock Option Plan 2017 ("ESOP 2017")
I.	Details of the ESOS	
1	Date of Shareholder's Approval	Approved on December 4,2017
2	Total Number of Options approved	4,00,000
3	Vesting Requirements	25% / 33% of the options granted will vest every year starting from one year from date of grant
4	ExercisePrice or Pricing formula (Rs.)	Closing market price on the day prior to the date of grant on stock exchange with highest trading volume
5	Maximum term of Options granted (years)	Options to be exercised within 3 years of vesting
6	Source of shares	Primary issuance
7	Variation in terms of ESOP	Nil

II. Option Movement during the year		
1	No. of Options Outstanding at the beginning of the year	396,192
2	Options Granted during the year	NIL
3	No. of Options adjusted due to Bonus and Split	NIL
3	Options Forfeited / lapsed during the year	5,035
4	Options Vested during the year	1,09,947
5	Options Exercised during the year	5,300
6	Total number of shares arising as a result of exercise of options	5,300
7	Money realised by exercise of options (Rs.)	1,643,000
8	Number of options Outstanding at the end of the year	3,85,857
9	Number of Options exercisable at the end of the year	1,03,387

III. Weighted average exercise price of Options granted during the year whose		
(a)	Exercise price equals market price	No Options Granted during the year 2018-19
(b)	Exercise price is greater than market price	
(c)	Exercise price isless than market price	
Weighted average fair value of options granted during the year whose		
(a)	Exercise price equals market price	No Options Granted during the year 2018-19
(b)	Exercise price is greater than market price	
(c)	Exercise price isless than market price	

The weighted average market price of options exercised during the year	430.00

IV Employee-wise details of options granted during the financial year 2018-19 to:

(i) Senior managerial personnel:

Name	No.of options granted
No Options Granted during the year 2018-19	

(ii) Employees who were granted, during the year , options amounting to 5% or more of the options granted during the year

Name	No.of options granted
No Options Granted during the year 2018-19	

(iii) Identified employees who were granted option, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

Name	No.of options granted
No Options Granted during the year 2018-19	

V Method and Assumptions used to estimate the fair value of options granted during the year

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

Date of grant	Particulars
1. Risk Free Interest Rate	No Options Granted during the year 2018-19
2. Expected Life	
3. Expected Volatility	
4. Dividend Yield	
5. Price of the underlying share in market at the time of the option	

ASSUMPTIONS:

Stock Price: Closing price on National Stock Exchange on the date of grant has been considered

Volatility: The historical volatility over the expected life has been considered to calculate the fair value.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

Expected divided yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years

Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	**30.99**

The stock-based compensation cost calculated as per the intrinsic value method for the period April 1, 2018 to March 31, 2019 is NIL. If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognised in the total cost to be recognised in the financial statements for the period April 1, 2018 to March 31, 2019 would be Rs. 251.86 lakhs. The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro Forma Adjusted Net Income and Earning Per Share

Particulars	
Net Income as reported (Rs. lakhs)	12,430
Add: Intrinsic Value Compensation Cost (Rs. lakhs)	-
Less: Fair Value Compensation Cost (Rs. lakhs)	252
Adjusted Pro Forma Net Income	12,178
Earning Per Share: Basic	
As Reported	31.07
Adjusted Pro Forma	31.70
Earning Per Share: Diluted	
As Reported	30.99
Adjusted Pro Forma	31.61

Notes to Accounts

Employee Stock Option Plan

Grant date	Exercise Price	Options Granted last year	Options exercised	Options cancelled	Options outstanding	"Options vested and Exercisable"	Options unvested
04-0ec I7	310.00	3,96,192	5,300	5,035	385,857	1,03,387	2,82,470
Total		**3,96,192**	**5,300**	**5,035**	**385,857**	**1,03,387**	**2,82,470**

Movement of stock options during the year

Total for all grants	No.of Options	Range of exercise prices Rs.	Weighted average exercise price Rs.	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	3,96, 192	310.00	310.00	5.03
Granted during the year	NIL	.	.	.
Adjusted for Corporate Action of Bonus and split	Nil	.	.	
Forieited during the year	5,035	310.00	310.00	.
Expired during the year	0	.	-	-
Exercised during the year	5,300	310.00	310.00	.
Outstanding at the end of the year	3,85,857	310.00	310.00	4.03
Exercisable at the end of the year	1,03,387	310.00	310.00	2.68

Significant assumptions used to estimate the fair value of options.

Variables	
1. Risk Free Interest Rate	No Options Granted during the year 2018·19
2. Expecled Life	
3. Expected Volatility	
4. Dividend Yield	
5. Price of the underlying share in market at the time of the option grant (Rs.)	


Index
Corn
Cocoa
High Grade Copper
Energy
Industrial
Oil
Aggregate
23%
19%
10%
58%

STANDALONE FINANCIAL STATEMENT

INDEPENDENT AUDITORS' REPORT

To the Members of
NSDL e-Governance Infrastructure Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of NSDL e-Governance Infrastructure Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are 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 state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 and Board of Directors are 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

- Obtain an understanding of internal control 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 with reference to financial statements 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.

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

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

Report on Other Legal and Regulatory Requirements

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

(A) As required by Section 143(3) of the Act, 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements – Refer Note 29 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

N Sampath Ganesh
Partner
Membership No: 042554

Place: Chennai
Date: 5 June 2019

Annexure A to the Independent Auditor's Report – 31 March 2019
(Referred to in our report of even date)

Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of sub-section (11) of Section 143 of the Companies Act, 2013 ('the Act')

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, the Company has carried out physical verification of certain assets during the year. According to the information and explanations provided to us and records produced to us for our verification, there have been no discrepancies noticed on such verification.

(c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is a service company, primarily rendering IT and ITes services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) In our opinion and according to information and explanations given to us, 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. Accordingly, paragraph 3(iii), 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.

(iv) In our opinion and according to information and explanations given to us, the Company has not granted any loans, made any investments or provided any guarantees or security to the parties covered under the provisions of Sections 185 and 186 of the Act. Accordingly, paragraph Clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 of the Act and the Rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) As informed to us by the management, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax ('GST') and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Value added tax, Service tax, duty of Customs and duty of Excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, GST and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information, explanations and representation given to us there are no dues of Income tax and GST which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:

Name of the statute	Nature of the dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
The Maharashtra Value Added Tax Act , 2002	Sales Tax, Interest and Penalty	2,260	2015-2016	Appellate Tribunal
Central Sales Tax Act, 1956	Central Sales Tax, Interest and Penalty	3.2	2015-2016	Appellate Tribunal

(viii) In our opinion and according to the information and explanations given to us, the Company did not have any loans or borrowings from any banks or financial institution or Government, nor has it issued any debentures as at the balance sheet date.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our Opinion and according to the information and explanations give to us and based on our examination of the records, the managerial remuneration has been paid or provided is in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V of the Act..

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Ind AS.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the paragraph 3(xvi) of the Order are not applicable to the Company.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

N Sampath Ganesh
Partner
Membership No: 042554

Place: Chennai
Date: 5 June 2019

Annexure B to the Independent Auditor's Report on the financial statements of NSDL e-Governance Infrastructure Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of NSDL e- Governance Infrastructure Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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

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 with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

N Sampath Ganesh
Partner
Membership No: 042554

Place: Chennai
Date: 5 June 2019

Balance Sheet as at 31 March 2019

Currency : (₹ in Lakhs)

Particulars			Note	As at 31.03.2019	As at 31.03.2018
ASSETS					
1	Non-current assets				
	a	Property, plant and equipments	2	**13,083**	13,075
	b	Capital work-in-progress		**513**	579
	c	Other intangible assets	2	**413**	556
	d	Financial assets			
		-- Investments	3	**32,610**	24,877
		-- Other financial assets	4	**2,931**	1,685
	e	Income tax assets (net)	5	**1,857**	1,740
	f	Deferred tax assets (net)	6	**89**	126
	g	Other non-current assets	7	**499**	425
	Total non current assets			**51,995**	43,063
2	Current assets				
	a	Financial assets			
		-- Investments	8	**4,642**	3,817
		-- Trade receivable	9	**18,188**	16,510
		-- Cash and cash equivalents	10	**3,939**	4,635
		-- Other bank balances (bank balances other than iii above)	11	**1,610**	561
		-- Other financial assets	4	**2,069**	3,106
	b	Other current assets	7	**2,589**	2,453
	Total current assets			**33,037**	**31,082**
		Total assets		**85,032**	**74,145**

Balance Sheet as at 31 March 2019

Currency : (₹ in Lakhs)

Particulars			Note	As at 31.03.2019	As at 31.03.2018
		Equity and liabilities			
1	**Equity**				
	a	Equity share capital	12	**4,001**	4,000
	b	Other equity	13	**62,640**	52,988
2	**Liabilities**				
	Non-current liabilities				
	a	Provisions	14	**171**	155
	b	Other financial liabilities (Other than provisions in (b) below)	15	**328**	-
	Total non current liabilities			**499**	155
	Current liabilities				
	a	Financial liabilities			
		-- Other financial liabilities (Other than provisions in (b) below)	15	**760**	1,277
		-- Trade payable			
		Dues of micro enterprises and small enterprises	30	**508**	508
		Dues of creditors other than micro enterprises and small enterprises	16	**8,486**	6,881
	b	Provisions	14	**2,340**	2,241
	c	Other current liabilities	17	**5,261**	5,504
	d	Income tax liabilities (net)	5	**537**	591
	Total current liabilities			**17,892**	17,002
	Total equity and liabilities			**85,032**	**74,145**
See accompanying notes to the financial statements			1 to 38		

As per our report of even date attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: **116231W/W-100024**

For and on behalf of the Board of Directors of
NSDL e-Governance Infrastructure Limited
(CIN: U72900MH1995PLC095642)

Sd/-
N Sampath Ganesh
Partner
Membership No: 042554

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Gagan Rai
Managing Director and CEO
DIN-00059632

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place : **Chennai**
Date : June 5, 2019

Place : **Mumbai**
Date : June 5, 2019

Statement of Profit and Loss for the year ended 31 March 2019

Currency : (₹ in Lakhs)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	18	**75,625**	89,758
Other income	19	**3,480**	2,708
Total income		**79,105**	**92,466**
Expenses			
Employee benefits expense	20	**6,518**	6,084
Finance costs		**18**	39
Depreciation and amortisation expense	2	**1,987**	1,054
Other expenses	21	**52,402**	65,613
Total expenses		**60,925**	**72,790**
Profit before tax		**18,180**	**19,676**
Less : Tax expenses			
Current tax	5	**5,741**	6,224
Deferred tax	5	**(9)**	(100)
Total tax expenses		**5,732**	**6,124**
Profit for the year (A)		**12,448**	**13,552**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the defined benefit liability / asset (net of tax)		**(14)**	(76)
Total other comprehensive income (net of tax) (B)		**(14)**	**(76)**
Total comprehensive income (A+B)		**12,434**	**13,476**
Earnings per equity share			
Weighted average equity shares used in computing earnings per equity share			
-- Basic (₹)		**4,00,00,348**	4,00,00,000
-- Diluted (₹)		**4,01,10,712**	4,00,00,000
Equity shares of par value ₹ 10 each			
-- Basic (₹)		**31.12**	33.88
-- Diluted (₹)		**31.03**	33.88
See accompanying notes to the financial statements	1 to 38		

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Tejas Desai
Chief Financial Officer

Place : **Chennai**
Date : June 5, 2019

Place : **Mumbai**
Date : June 5, 2019

Sd/-
Maulesh Kantharia
Company Secretary

Statement of changes in Equity for the year ended 31 March 2019

Currency : (₹ in Lakhs)

A. Equity share capital

Balance as at 1 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018
4,000	0	4,000

Balance as at 1 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
4,000	1	4,001

Statement of changes in Equity for the year ended 31 March 2019

B. Other equity

Currency : (₹ in Lakhs)

Particulars	Other equity							Total
	Reserves and surplus			ESOP reserve	Share option outstanding A/c	Security premium	Other comprehensive income	
	Capital redemption reserve	General reserve	Retained earnings				Other items of other comprehensive income	
Balance as at the 1 April 2017	**2,500**	**20,843**	**19,615**	**-**	**-**		**(414)**	**42,544**
Transfer from retained earnings	-	9,000	(9,000)	-			-	**-**
Re-measurement of the defined benefit liability / asset	-	-	-	-			(76)	**(76)**
Employee stock appreciation rights				97				**97**
Dividend (Including tax on dividend)	-	-	(3,129)	-			-	**(3,129)**
Profit for the year ended 31 March 2018	-	-	13,552	-			-	**13,552**
Balance as at the 31 March 2018	**2,500**	**29,843**	**21,038**	**97**			**(490)**	**52,988**

Statement of changes in Equity for the year ended 31 March 2019

Currency : (₹ in Lakhs)

Particulars	Other equity							Total
	Reserves and surplus			ESOP reserve	Share option out-standing A/c	Security premium	Other com-prehensive income	
	Capital re-demption reserve	General reserve	Retained earnings				Other items of other compre-hensive income	
Balance as at the 1 April 2018	**2,500**	**29,843**	**21,038**	**97**	**-**	**-**	**(490)**	**52,988**
Transfer from retained earnings	-	10,000	(10,000)	-	-	-	-	**-**
Adjustment on initial application of IndAS 115, net of tax (refer note 36)	-	-	86	-	-	-	-	**86**
Re-measurement of the defined benefit liability / asset	-	-	-	-	-	-	(14)	**(14)**
Employee stock appreciation rights	-	-	-	250	-	-	-	**250**
Issue of shares under ESOP	-	-	-	-	-	16	-	**16**
Dividend (Including tax on dividend)	-	-	(3,134)	-	-	-	-	**(3,134)**
Profit for the year ended 31 March 2019	-	-	12,448	-	-	-	-	**12,448**
Balance as at the 31 March 2019	**2,500**	**39,843**	**20,438**	**347**	**-**	**16**	**(504)**	**62,640**

Note: # Purpose of Reserve stated as follows:

(a) Capital redemption reserve: Capital redemption reserve is created to purchases its own shares out of free reserves and same to be utilized in accordance with the provision of the Companies Act, 2013.

(b) General reserve: The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

(c) ESOP reserve: The ESOP reserve is created out equity shares issued as per terms and conditions stated in Employee Stock options plan 2017 and same will be utilized as free reserve.

(d) Securities premium : Securities premium is used to record the premium on issue of shares. The reserve to be utilized in accordance with the provisions of the Companies Act, 2013.

As per our report of even date attached
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For and on behalf of the Board of Directors of
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Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place : **Chennai**
Date : June 5, 2019

Place : **Mumbai**
Date : June 5, 2019

Statement of Cash Flows for the year ended 31 March 2019

Currency : (₹ in Lakhs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
A)	**Cash flow from operating activities**		
	Profit before tax	18,180	19,676
	Adjustments for :		
	Depreciation and amortisation	**1,987**	1,054
	Amortisation of premium / discount on Government/debt securities	**146**	85
	Loss on sale /discard of assets	**12**	-
	Provision for impairment of assets	**6**	-
	Loss on sale of current investment	**5**	2
	Adjustments for :		
	Interest income on long term investment	**(2,263)**	(1,737)
	Interest income on bank deposit	**(190)**	(241)
	Excess provision written back	**-**	(51)
	Interest paid on Income tax	**18**	39
	Employee stock option plan	**250**	97
	Gratuity OCI	**(14)**	(76)
	Dividend received - others	**(116)**	(210)
	Operating cash flow before changes in working capital	**18,021**	18,638
	Changes in working capital		
	Trade receivable	**(1,650)**	763
	Other assets	**825**	(638)
	Other financial liabilities, other liabilities and provisions	**1,407**	(2,450)
	Net changes in working capital	**18,603**	16,313
	Income taxes paid (net)	**(5,912)**	(6,460)
	Net cash used in operating activities (A)	**12,691**	9,853

Statement of Cash Flows for the year ended 31 March 2019

Currency : (₹ in Lakhs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
B)	**Cash flow from investing activities**		
	Purchase of property plant and equipment and capital advances given	**(2,737)**	(4,817)
	Proceeds from sale of fixed assets	**21**	2
	Interest received	**2,312**	1,925
	Dividend received	**116**	210
	Purchase of non-current investments (net of interest accrued upto date of purchase)	**(7,933)**	(5,173)
	Purchase of current investments	**(6,618)**	(2,709)
	Investment in fixed deposit	**(1,249)**	(710)
	Proceeds from redemption of non-current investments	**100**	259
	Proceeds from redemption of current investments	**5,736**	2,555
	Proceeds from redemption/maturity of fixed deposit	**-**	700
	Interest paid on income tax	**(18)**	(39)
	Net cash used in investing activities (B)	**(10,270)**	(7,797)
C)	**Cash flow from financing activities**		
	Proceeds from issue of share capital (including security premium amount)	**17**	-
	Dividend paid	**(2,605)**	(2,600)
	Dividend distribution tax paid	**(529)**	(529)
	Net cash used in financing activities (C)	**(3,117)**	(3,129)
	Net decrease in cash and cash equivalents at the end of the year (A+B+C)	**(696)**	(1,073)
	Cash and cash equivalents at the beginning of the year	**4,635**	5,708
	Cash and cash equivalents at the end of the year	**3,939**	4,635

Notes to Cash Flow Statement:

1 *Cash and cash equivalent represent cash, bank balances with original maturity of less than three months.*

2 *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 Companies (Accounts) Rules, 2014 as amended from time to time.*

3 *Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current period classification / disclosure.*

As per our report of even date attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: **116231W/W-100024**

For and on behalf of the Board of Directors of
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Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place : **Chennai**
Date : June 5, 2019

Place : **Mumbai**
Date : June 5, 2019

1. Corporate information

NSDL e-Governance Infrastructure Limited ("the Company") was incorporated in December 1995, is engaged in providing Information Technology (IT) enabled e-Governance services. The current projects of the Company are Central Recordkeeping Agency (CRA) under the National Pension System regulated by Pension Fund Regulatory and Development Authority (PFRDA); Tax Information Network (TIN), the activity of processing the applications for allotment of Permanent Account Number (PAN) and National Judicial Reference System (NJRS) on behalf of Income Tax Department, Government of India; Electronic Accounting System in Excise and Service Tax (EASIEST) on behalf of Central Board of Indirect Taxes and Customs (CBIC), Government of India and acting as a Registrar to Unique Identification Authority of India (UIDAI), Planning Commission, Government of India.

The Board of Directors approved the financial statements for the year ended March 31, 2019 and authorised for issue on June 5, 2019.

1.1 Summary of significant accounting policies :

a) Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time

b) Basis of preparation of Financial Statements

These financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company.

These financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method.

c) Use of estimates

The preparation of the financial statements in conformity with the recognition and measurement principles of the Ind AS requires management of the Company 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. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Although these estimate are based on management's best knowledge of current events and actions, uncertainty about the assumption and estimates could result in the outcome requiring material adjustment to the carrying amount of asset and liabilities.

Defined benefit

The cost of the defined benefits that includes gratuity and compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Income taxes

The company's tax jurisdictions is only in India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 'q'.

Trade receivables

The Company estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

d) Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term unless the increase in the lease rent is not in line with expected general inflation to compensate for the lessor expected inflationary cost increase.

e) Revenue Recognition

The Company earns revenue primarily from providing Information Technology (IT) enabled e-Governance services. The Company offers integrated portfolio of IT, business and engineering services and solutions.

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 the 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 1.1(d) – 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.

To recognise revenues, the Company applies the following five step approach;
(1) identify the contract with a customer,
(2) identify the performance obligations in the contract,
(3) determine the transaction price,
(4) allocate the transaction price to the performance obligations in the contract and
(5) recognize revenues when a performance obligation is satisfied.

Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the client and is the unit of accounting in Ind AS 115.

The performance obligations of the Company are satisfied over time as services are rendered.
(1) The subscription income is recognised over the subcription period;
(2) The installation revenue is recognised over the period when the Company is expected to realise economic benefits from such installation;
(3) The carriage income is recognised on a straight-line basis;
(4) Other operating revenues are recognised on satisfaction of performance obligation by transferring services (control of asset) to the customer.

Determination of transaction price

Revenue is measured based on transaction price which includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Revenues also exclude taxes collected from customers.

Allocation of transaction price

A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation based on the relative standalone selling price. The primary method used to estimate standalone selling price is the adjusted market assessment approach, under which the Company evaluates the price in that market that a customer is willing to pay for those services. While determining relative standalone selling price and identifying separate performance obligations require judgment, generally relative standalone selling prices and the separate performance obligations are readily identifiable as the Company sells those performance obligations unaccompanied by other performance obligations.

Contract balances

A contract asset is right to consideration in exchange of services that the Company has rendered to a customer when that right is conditioned on something other than passage of time. 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.

A contract liability is the obligation to render services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the company renders services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company renders services as per the contract.

i) Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

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

iii) Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

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

Revenue is measured based on the transaction price, which is the consideration, adjusted for service level credits 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.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

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.

Use of significant judgements in revenue recognition

i) 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.

ii) 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 service level credits 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.

iii) 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.

iv) 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.

v) Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence whichever is less. 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.

Interest income

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

Dividend income

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

f) 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 indirect taxes, wherever input credit is claimed.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

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.

Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

g) Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method.

Depreciation on additions / deletions is provided on pro-rata basis from the date of acquisition/ up to the date of deletion

Depreciation on assets is provided on the straight-line method using the rates based on the economic useful life of assets as estimated by the management but not being more than the limits specified in Schedule II of the Companies Act, 2013 as below :

The details of the estimated useful life of the assets where the depreciation is provided at the rate higher than the specified in Schedule II of the Companies Act, 2013 are as follows:

Assets	Estimated Useful Lives
Central System	6 years
Servers	6 years
Computers	3 years
Communication (Network)	6 years
Electrical Installations	10 years
Office Equipment's	5 years
Furniture	10 years
Buildings	60 years

Computer Software is amortized over a period of 2 years.

i) 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) On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

h) Intangible assets

Intangible assets comprising of software are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Cost of development and production incurred till the time software is put to use is capitalised.

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.
Research cost are expensed as 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

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.

i) Impairment of tangible and intangible assets excluding goodwill

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

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

j) Foreign currency transactions and translation

Transactions and translations

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

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

Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction.

k) Employee benefit costs

- **Short- term employee benefits**
  Short term employee benefits are charged to revenue in the year in which the related service is rendered.

- **Post-Employment benefits**
  Defined Contribution plans

i) Provident Fund: Employees are entitled to receive benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary). The contributions, as specified under the law were made to Recognised Provident Fund.

ii) Superannuation: Certain employees of the Company are participants in a defined contribution plan. The company has no further obligations to the Plan beyond its annual contributions which are contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India

Defined benefit Plans

i) Gratuity: The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

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 Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. The Company recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

Gains or losses through re-measurement of the net defined benefit liability / (asset) are recognised in other comprehensive income. The actual return of portfolio of plan assets, in excess of yields computed by applying the discount rate used to measure the defined benefit obligation are recognised in other comprehensive income. The effects of any plan amendments are recognised in statement of profit and loss.

ii) Compensated absences: The company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

l) Income Tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current tax

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current tax assets and current tax liabilities are offset only if there is a legally inforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

m) Provisions, Contingent liabilities and Contingent assets

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

n) Cash Flow statement.

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

o) Cash and Bank balances

Cash and cash equivalents comprise cash in hand, balance with banks and term deposits with banks with original maturity up to three months.

Other bank balances comprises of term deposit with banks having maturity of more than three months but less than twelve months from the Balance sheet date.

p) 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.

q) Financial instruments

Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

Financial assets

Financial assets are classified into the following specified categories: financial assets "at amortised cost", "fair value through other comprehensive income", "fair value through Profit or Loss". The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset at the time of initial recognition.

Financial assets are recognised by the company as per its business model.

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially at fair value through profit or loss.

Income and expense is recognised on an effective interest basis for debt instrument, Other Equity instruments are classified as "fair value through Profit or Loss".

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables (including trade and other receivables) and others are measured at amortised cost using the effective interest rate (EIR) method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Loans and receivables

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Subsequent measurement

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

Financial liabilities and equity instruments

Equity instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Non-current Assets Held for Sale and Discontinued Operations

Non-current assets held for sale are measured at lower of the carrying value and the fair value less cost to sell

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

r) Dividends

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

1.2 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS – 116

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 16, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from April 01, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified an operating lease if the head lease is classified as a short term lease. In all other cases the sublease shall be classified as a finance lease.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify 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. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

2 Property, plant, equipments and intangible assets

Following are the changes in the carrying value of property, plant, equipments and intangible assets for the year ended 31 March 2019

Currency : (₹ in Lakhs)

Particulars	Property, plant and equipments								Other intangible assets	
	Land freehold	Building	Computers	Data and telecommunication equipments	Electric installation	Office equipment	Furniture and fixtures	Total	Computer softwares (others)	Total
Gross carrying value as of 1 April 2018	**1,574**	**9,354**	**6,451**	**1,188**	**1,395**	**2,645**	**1,318**	**23,925**	**4,347**	**4,347**
Additions	-	68	583	651	-	101	1	**1,404**	480	**480**
Deletions	-	-	307	33	112	54	88	**594**	-	**-**
Gross carrying value as of 31 March 2019	**1,574**	**9,422**	**6,727**	**1,806**	**1,283**	**2,692**	**1,231**	**24,735**	**4,827**	**4,827**
Accumulated depreciation as of 1 April 2018	**-**	**3,987**	**4,431**	**873**	**490**	**681**	**388**	**10,850**	**3,791**	**3,791**
Depreciation	-	87	530	135	90	424	98	**1,364**	623	**623**
Accumulated depreciation on deletion	-	-	292	32	106	48	84	**562**	-	**-**
Accumulated depreciation as of 31 March 2019	**-**	**4,074**	**4,669**	**976**	**474**	**1,057**	**402**	**11,652**	**4,414**	**4,414**
Carrying value as of 31 March 2019	**1,574**	**5,348**	**2,058**	**830**	**809**	**1,635**	**829**	**13,083**	**413**	**413**

2 Property, plant, equipments and intangible assets

Following are the changes in the carrying value of property, plant, equipments and intangible assets for the year ended 31 March 2018

Currency : (₹ in Lakhs)

Particulars	Property, plant and equipments								Other intangible assets	
	Land freehold	Building	Computers	Data and telecommunication equipments	Electric installation	Office equipment	Furniture and fixtures	Total	Computer softwares (others)	Total
Gross carrying value as of 1 April 2017	**1,574**	**5,290**	**5,590**	**1,058**	**524**	**684**	**516**	**15,236**	**3,560**	**3,560**
Additions	-	4,064	938	130	871	1,963	808	**8,774**	787	**787**
Deletions	-	-	77	0	0	2	6	**85**	0	**-**
Gross carrying value as of 31 March 2018	**1,574**	**9,354**	**6,451**	**1,188**	**1,395**	**2,645**	**1,318**	**23,925**	**4,347**	**4,347**
Accumulated depreciation as of 1 April 2017	**-**	**3,947**	**4,090**	**813**	**459**	**531**	**348**	**10,188**	**3,479**	**3,479**
Depreciation	-	40	415	60	31	152	44	**742**	312	**312**
Accumulated depreciation on deletion	-	-	73	0	0	2	5	**80**	0	**-**
Accumulated depreciation as of 31 March 2018	**-**	**3,987**	**4,432**	**873**	**490**	**681**	**387**	**10,850**	**3,791**	**3,791**
Carrying value as of 31 March 2018	**1,574**	**5,367**	**2,019**	**315**	**905**	**1,964**	**931**	**13,075**	**556**	**556**

The aggregate depreciation has been included under depreciation and amortisation expenses in the Statement of Profit and Loss

3 Non-current investments

Currency : (₹ in Lakhs)

Particulars		Rate of interest %	Year of maturity	No. of bonds/ debentures/ share	Face value	As at 31 March 2019 (₹ in Lakhs)	As at 31 March 2018 (₹ in Lakhs)
Quoted debt securities investments at amortised cost:							
Investment in tax free bonds							
1	Power Finance Corporation Limited	8.20	2022	1,00,000	1,000	1,084	1,084
2	Indian Railway Finance Corporation Limited	8.10	2027	50,000	1,000	534	534
3	National Highway Authority of India Limited	8.30	2027	2,00,000	1,000	2,182	2,182
4	Indian Railway Finance Corporation Limited	7.34	2028	2,50,000	1,000	2,574	2,574
5	National Highway Authority of India Limited	8.50	2029	80,000	1,000	800	800
6	National Housing Bank	8.63	2029	7,220	5,000	361	361
7	Rural Electrification Corporation	8.63	2029	50,000	1,000	500	500
8	National Housing Bank	8.68	2029	40,000	5,000	2,053	2,053
9	National Thermal Power Corporation Limited	7.37	2035	6,246	1,000	62	62
10	Rural Electrification Corporation	7.21	2022	130	10,00,000	1,329	1,329
11	National Thermal Power Corporation Limited	7.15	2025	90	10,00,000	912	912
12	National Housing Bank	8.46	2028	40	10,00,000	443	443
13	Power Finance Corporation Limited	8.46	2028	150	10,00,000	1,672	1,672
14	Rural Electrification Corporation	8.46	2028	250	10,00,000	2,894	552
15	National Bank for Agriculture and Rural Devlopment	7.35	2031	1,50,000	1,000	1,578	1,578
16	National Hydroelectric Power Corporation Limited	8.67	2033	50,000	1,000	634	634
17	National Bank for Agriculture and Rural Devlopment	7.35	2031	1,00,000	1,000	1,117	1,117
18	Indian Renewable Energy Development Agency Limited	7.17	2025	270	10,00,000	2,877	2,877
19	National Highway Authority of India Limited	7.35	2031	1,00,000	1,000	1,125	1,125
20	National Highway Authority of India Limited	7.39	2031	50,000	1,000	556	556
21	Indian Railway Finance Corporation Limited	7.35	2031	1,50,000	1,000	1,663	1,663
22	National Bank for Agriculture and Rural Devlopment	7.35	2031	2,00,000	1,000	2,221	-
23	National Housing Bank	8.76	2034	20,000	5,000	1,241	-
24	National Housing Bank	8.68	2029	10,000	5,000	591	-
25	Power Finance Corporation Limited	7.21	2022	150	10,00,000	1,538	-

3 Non-current investments

Currency : (₹ in Lakhs)

	Particulars	Rate of interest %	Year of maturity	No. of bonds/ deben-tures/ share	Face value	As at 31 March 2019 (₹ in Lakhs)	As at 31 March 2018 (₹ in Lakhs)
Investment in non convertible debentures							
26	Rural Electrifiction Corporation	8.72	2017	2	10,00,000	-	19
27	TATA Capital Limited	9.95	2017	2	10,00,000	-	10
28	Rural Electrifiction Corporation	8.65	2017	2	10,00,000	-	19
29	Housing Devlopment and Finance Corpoaration Limited	8.79	2020	2	10,00,000	20	20
30	Power Finance Corporation Limited	9.36	2021	2	10,00,000	20	20
31	Housing Devlopment and Finance Corpoaration Limited	9.40	2021	4	10,00,000	40	40
32	EXIM Bank Limited	9.25	2022	2	10,00,000	20	20
33	Rural Electrification Corporation	9.35	2022	4	10,00,000	40	40
34	Infrastructure Leasing & Finance Services Limited	9.55	2023	550	1,000	6	6
35	HDB Financial Services Limited	9.60	2023	2	10,00,000	20	20
36	HDB Finanacial Services Limited	10.19	2024	1	10,00,000	10	10
37	IDFC First Bank Limited	8.80	2025	10	10,00,000	100	100
38	Indian Railway Finance Corporation Limited	9.09	2026	2	10,00,000	20	20
39	State Bank of India	9.95	2026	296	10,000	31	31
40	Power Finance Corporation Limited	8.94	2028	4	10,00,000	41	41
41	Indian Railway Finance Corporation Limited	8.79	2030	1	10,00,000	10	10
42	India Infrastructure Finance Company Limited	9.41	2037	5	10,00,000	56	56
						32,975	**25,090**
	Less : Amortisation of premium					359	213
	Less : Provision for impairment of assets					6	-
						32,610	**24,877**
Aggregate book value of quoted investments						32,976	25,090
Aggregate market value of quoted investments						33,362	26,211

4. Other financial assets
(Unsecured considered good)

Currency : (₹ in Lakhs)

Particulars	Non-current		Current	
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	**31 March 2019 (₹ in Lakhs)**	31 March 2018 (₹ in Lakhs)
Others				
Security deposit	**1,245**	867	**2**	425
Interest accrued on investments	**-**	-	**923**	764
Less: Provision for impairment of assets	**-**	-	**(1)**	-
Interest accrued on bank deposits	**6**	58	**81**	47
Restricted deposits with banks against performance guarantee	**966**	440	**-**	326
Unbilled revenue	**304**	320	**816**	1,544
Deferred Revenue	**410**	-	**248**	-
Total	**2,931**	1,685	**2,069**	3,106

5 Income taxes

(A) The major components of income tax expense for the years ended 31st March 2019 and 31st March 2018 are:

Profit or loss section

Particulars	**31 March 2019 (₹ in Lakhs)**	31 March 2018 (₹ in Lakhs)
Current taxes	**5,741**	6,224
Deferred taxes	**(9)**	(100)
Income tax expense reported in the statement of profit or loss	**5,732**	6,124

OCI section

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

Particulars	**31 March 2019 (₹ in Lakhs)**	31 March 2018 (₹ in Lakhs)
Re-measurement of the defined benefit liability / asset	**(5)**	-
	(5)	-

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

Currency : (₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Profit before income taxes	**18,180**	19,676
Enacted tax rates in India	**34.944%**	34.608%
Computed expected tax expenses	**6,353**	6,809
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	**(780)**	(645)
Donation	**56**	53
Disallowance u/s 14A	**113**	89
Provision for employees long term incentive plan	**6**	(49)
Others	**11**	(133)
Total income tax expens	**5,759**	**6,124**

The applicable Indian statutory tax rate for FY 2017-18 was 34.608% and FY 2018-19 is 34.944%.

(C) The movement in the current income tax asset/ (liability) for the year ended 31 March 2019 and year ended 31 March 2018 as follows:

Particulars	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Net current income tax asset/ (liability) at the beginning	**1,149**	939
Income tax paid	**5,912**	6,434
Current income tax expense	**(5,741)**	(6,224)
Income tax on other comprehensive income	**-**	-
Net current income tax asset/ (liability) at the end	**1,320**	1,149

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

Currency : (₹ in Lakhs)

Particulars	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Deferred income tax assets		
Provision for compensated absences	375	340
Diminution in value of non-current investments	-	-
Provision for doubtful debts	42	41
Deferred revenue expenditure	43	72
Other	102	87
Total deferred income tax assets	**562**	**540**
Deferred income tax liabilities		
Difference between tax balance and book balance of fixed assets	316	226
Amortisation of Revenue	111	188
Total deferred income tax liabilities	**427**	**414**
Deferred income tax Assets after set off	**135**	**126**

(E) The gross movement in the deferred income tax account for the year ended March 31, 2019 and year ended March 31, 2018, is as follows:

Particulars	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Net deferred income tax assets at the beginning	**126**	26
Add:		
Provision for compensated absences	**35**	303
Amortisation of non-current investments	**-**	(24)
Other	**15**	14
Provision for Doubtful Debts	**1**	41
Amortisation of assets	**(29)**	72
Less:		
Difference between tax balance and book balance of fixed assets	**90**	118
Adjustment on initial Application of IndAS, net of tax (refer note 36)	**46**	-
Amortisation of revenue	**(77)**	188
Net deferred income tax assets at the end	**89**	126

6 Deferred tax assets (net)

Currency : (₹ in Lakhs)

Particulars	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Related to other items	**89**	126
Net deferred tax assets	**89**	126

7 Other assets

	Particulars	Non-current		Current	
		31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	**31 March 2019 (₹ in Lakhs)**	31 March 2018 (₹ in Lakhs)
(A)	**Capital advances**	**172**	35	**-**	-
(B)	**Advances to related parties**	**42**	43	**-**	-
(C)	**Other advances**				
	Prepaid expenses	**283**	341	**1,104**	1,305
	Loans to employees	**2**	6	**3**	1
	GST credit receivable	**-**	-	**1,092**	842
	Advance to suppliers	**-**	-	**369**	261
	Others	**-**	-	**21**	44
		499	425	**2,589**	2,453

8. Current investments

Currency : (₹ in Lakhs)

	Particulars			As at 31 March 2019			As at 31 March 2018		
		Rate of interest	Year of maturity	No. of units	Face value	(₹ in Lakhs)	No. of units	Face value	(₹in Lakhs)
Non convertible debentures									
1	Rural Electrification Corporation	8.72	2019	2	10,00,000	19	2	10,00,000	-
2	TATA Capital Financial Services Limited	9.95	2019	2	10,00,000	10	2	10,00,000	-
3	Rural Electrification Corporation	8.65	2020	2	10,00,000	19	2	10,00,000	-
4	Rural Electrification Corporation	8.65	2019	-	-	-	7	10,00,000	70
5	Power Finance Corporation Limited	11.25	2018	-	-	-	1	10,00,000	12
6	IDBI Bank Limited	11.3	2018	-	-	-	2	10,00,000	23
Liquid mutual funds									
1	Units of Axis Treasury Advantage Fund - Institutional Daily Dividend Reinvestment			56,055	1,007	565	53,159	1,000	535
2	Units of Axis Liquid Fund - Institutional Daily Dividend Reinvestment			50,474	1,001	505	52,983	1,000	530
3	Units of Principal Cash Management Fund-Dividend Reinvestment Daily			53,279	952	507	53,290	1,000	534
4	Units of UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option)						53,396	1,000	535
5	Units of UTI Liquid Cash Plan Fund - Institutional Plan (Daily Dividend Option)			49,553	1,019	505	51,932	1,000	529
6	Aditya Birla Sun Life Liquid Fund-Daily Dividend - Direct Plan			5,00,355	100	502	5,21,320	100	522
7	LIC MF Income Plus Fund- Daily Dividend Reinvestment			-	-	-	51,89,567	10	527
8	LIC MF Liquid Fund- Daily Dividend Reinvestment			46,009	1,098	505			-
9	ICICI Prudential Liquid Plan- Daily Dividend Reinvestment			5,00,815	100	502			-
10	IDFC Cash Fund- Daily Dividend Reinvestment			50,048	1,002	502			-
11	Canara Robeco Liquid Fund- Direct Daily Dividend Reinvestment			49,872	1,006	501			-
	Total					**4,642**			**3,817**

9 Trade receivables

Currency : (₹ in Lakhs)

Particulars	Current	
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Unsecured, considered good unless stated otherwise		
Secured, considered good	-	-
Unsecured, considered good	18,188	16,510
Credit Impaired	-	-
Doubtful	119	119
	18,307	16,629
Less: Provision for doubtful debts	**(119)**	**(119)**
Total	**18,188**	16,510

10 Cash and cash equivalents

Particulars	Current	
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Cash and cash equivalents		
Cash on hand	**1**	1
Balances with banks in current accounts	**3,938**	4,634
	3,939	4,635

11 Other bank balances

Particulars	Current	
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Bank deposits with original maturity for more than 3 months but less than 12 months	**1,610**	561
Total	**1,610**	561

12 Equity share capital

Particulars	Non-current	
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Authorised		
50,00,00,000 (31 March 2018: 50,00,00,000) equity shares of Rs 10 each.	**50,000**	50,000
Issued, Subscribed and Paid-up		
4,00,05,300 (31 March 2018: 4,00,00,000) equity shares of Rs.10 each fully paid up.	**4,001**	4,000
Total	**4,001**	4,000

a) **Reconciliation of number of shares**

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount (₹ in Lakhs)	Number of shares	Amount (₹ in Lakhs)
Equity shares				
Opening balance	**4,00,00,000**	**4,000**	4,00,00,000	4,000
Issued during the year	**5,300**	**1**	-	-
Closing balance at the end of the year	**4,00,05,300**	**4,001**	4,00,00,000	4,000

b) **Rights, preferences and restrictions attached to shares**

The company has only one class of equity shares having a par value of ₹ 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, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Numbers of shares held	% of holding	Numbers of shares held	% of holding
NSE Investments Ltd	**1,00,18,000**	**25.05**	1,00,18,000	25.05
IIFL Special Opportunities Fund	**28,94,507**	**7.24**	34,40,334	8.60
Administrator of Specified Undertaking of Unit Trust of India	**27,32,000**	**6.83**	27,32,000	6.83
IIFL Special Opportunities Fund – Series 4	**24,99,178**	**6.25**	24,99,178	6.25
IIFL Special Opportunities Fund – Series 2	**20,16,366**	**5.04**	22,07,809	5.52

d) **Information on equity shares alloted without receipt of cash or alloted as bonus shares or shares bought back**

The Company has neither alloted equity shares wthout receipt of cash or as bonus shares nor bought back any equity shares during preceeding five financial years

13 Other equity

		31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
a)	**Capital redemption reserve**		
	(i) Opening balance	**2,500**	2,500
	(ii) Transfer from retained earnings	**-**	-
		2,500	2,500
b)	**General reserve**		
	(i) Opening balance	**29,843**	20,843
	(ii) Transfer from retained earnings	**10,000**	9,000
		39,843	29,843
c)	**Retained earnings**		
	(i) Opening balance	**21,038**	19,615
	(ii) Adjustment on initial application of Ind AS 115, net of tax (refer note 36)	**86**	-
	(iii) Transfer to general reserve	**(10,000)**	(9,000)
	(iv) Dividend (including tax on dividend)	**(3,134)**	(3,129)
	(v) Profit for the year	**12,448**	13,552
		20,438	21,038
d)	**Other comprehensive income**		
	(i) Opening balance	**(490)**	(414)
	(ii) Re-measurement of the defined benefit net liability / asset	**(14)**	(76)
		(504)	(490)
e)	**ESOP reserve**		
	(i) Opening balance	**97**	-
	(ii) Employee stock appreciation rights	**250**	97
		347	97
f)	**Securities premium**		
	(i) Opening balance	**-**	-
	(ii) Employee stock appreciation rights	**16**	-
		16	-
		62,640	52,988

14 Provision

Particulars	Non-current		Current	
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	**31 March 2019 (₹ in Lakhs)**	31 March 2018 (₹ in Lakhs)
Provision for employee benefits				
Medical benefits payable	**-**	-	**-**	40
Provision for leave travel allowance	**-**	-	**48**	20
Provision for employee incentives	**171**	155	**940**	867
Gratuity payable	**-**	-	**280**	333
Provision for leave encashment	**-**	-	**1,072**	981
Total	**171**	155	**2,340**	2,241

15 Other financial liabilities

Particulars	Non-current		Current	
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	**31 March 2019 (₹ in Lakhs)**	31 March 2018 (₹ in Lakhs)
Liability for expenses	**-**	-	**4**	7
Creditors for capital expenditure	**-**	-	**130**	911
Directors' commission payable	**-**	-	**112**	122
Other liabilities	**-**	-	**316**	237
Deferred expenses	**328**	-	**198**	-
Total	**328**	-	**760**	1,277

16 Trade payables

Particulars		Current	
		31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Trade payables			
	Dues of micro enterprises and small enterprises	**508**	508
	Dues of creditors other than micro enterprises and small enterprises	**8,486**	6,881
		8,994	7,389

17 Other current liabilities

Particulars	Non-current		Current	
	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)	**31 March 2019 (₹ in Lakhs)**	31 March 2018 (₹ in Lakhs)
Advances from customers	**-**	-	**853**	825
Indirect tax payable and other statutory liabilities	**-**	-	**1,491**	960
Income received in advance	**-**	-	**2,917**	3,719
Total	**-**	-	**5,261**	5,504

18 Revenue from operations

Particulars	**31 March 2019 (₹ in Lakhs)**	31 March 2018 (₹ in Lakhs)
Revenue consist of the following		
Sale of services		
Transaction fees	**63,054**	79,615
Other operational income	**731**	505
Accounts maintenance fees	**11,740**	9,638
Other operating revenues		
Recovery againts bad debts	**100**	-
Total	**75,625**	89,758

Information about major customers:
No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2019 and March 31, 2018.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes incurrency rates, tax laws etc).

Changes in contract assets are as follows:

	31 March 2019 (₹ in Lakhs)
Balance at the beginning of the year	1,864
Revenue recognised during the year	649
Invoice raised during the year	1,393
Balance at the end of the year	**1,120**

The table below discloses the movement in contract liabilities during the year ended March 31 2019

Balance at the beginning of the year	3,719
Add: Invoices Raised for which no revenue is recognised during the year	2,917
Less: Revenue recognised that was included in the contract liabilities at the begining of the year	3,719
Balance at the end of the year	**2,917**

Accounts receivable are recorded when the right to consideration becomes unconditional.
Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced.
Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	31 March 2019 **(₹ in Lakhs)**
Revenue from contracts with customers (as per Statement of Profit and Loss)	75,625
Add: Discounts, rebates, refunds, credits, price concessions	-
Less / Add: Deferred and unbilled revenue adjustments	1,120
Add: Allocation of transaction price from bundled contracts	-
Contracted price with the customers	**74,505**

Practical expedients used

In accordance with the practical expedient in Para 63 of Ind AS 115, the Company has not adjusted the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

19 Other income

Particulars	**31 March 2019 (₹ in Lakhs)**	31 March 2018 (₹ in Lakhs)
Interest income		
On investment		
-- Current	**-**	42
-- Long term	**2,117**	1,610
On bank deposits	**190**	241
On overdue trade receivables	**358**	289
On others	**86**	60
Dividend income		
-- Current	**116**	210
Support charges	**80**	58
Rent income	**513**	143
Excess provision written back	**-**	51
Miscellaneous income	**20**	4
Total	**3,480**	2,708

20 Employee benefits expenses

Particulars	**31 March 2019 (₹ in Lakhs)**	31 March 2018 (₹ in Lakhs)
Salaries, wages and bonus	**5,611**	5,204
Contribution to provident and other fund (refer Note 23)	**643**	595
Staff welfare expenses	**264**	285
Total	**6,518**	6,084

21 Other expenses

Particulars	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Rent	**1,579**	953
Communication expenses	**800**	567
Travelling and conveyance expenses	**659**	667
Annual fees	**743**	639
Processing charges	**41,072**	54,039
Repairs and maintenance		
- To buildings	**327**	274
- To computers, trading and telecommunication systems	**5,084**	5,345
- To others	**114**	126
Insurance	**153**	68
Rates and taxes	**122**	185
Advertisement and publicity	**135**	527
Legal and professional fees	**342**	334
Printing and stationery expenses	**29**	31
Payment to auditor (refer note below)	**38**	20
Electricity charges / power fuel	**437**	477
Directors' sitting fees	**37**	41
Directors' commission	**124**	136
Bad debts written off	**-**	512
Excess provision written back	**1**	-
Loss on sale /discard of assets (net)	**12**	2
Loss on sale of investment	**5**	-
Expenditure incurred on CSR activities (refer note 32)	**322**	303
Other expenses	**267**	367
Total	**52,402**	65,613
Note :		
Payment to auditor		
As auditor:		
Audit fees	**24**	17
Tax audit fee	**4**	3
In other capacity:		
Certification matters	**10**	-
Total	**38**	20

22 Earnings Per Share

In accordance with Indian Accounting Standard 33 - "Earning per Share" notified under Rule 7 of the Companies (Accounts) Rules, 2014.

Currency : (₹ in Lakhs)

Particulars		31 March 2019	31 March 2018
Net profit attributable to shareholders			
(a)	Profit before exceptional item and tax	**18,180**	19,676
	Tax on above	**5,732**	6,124
	Profit after tax and before exceptional item (A)	**12,448**	13,552
Weighted average number of equity shares issued (No. in lakhs)		**400**	400
Basic earnings per share of ₹ 10/- each (in ₹)		**31.12**	33.88
Weighted average number of equity shares issued (No. in lakhs)		**401**	400
Diluted earnings per share of ₹ 10/- each (in ₹)		**31.03**	33.88

23 Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefits

i) Defined contribution plan:

(a) Company's contribution towards superannuation amounting to ₹ 154 Lakhs (31 March 2018: ₹ 151 lakhs).

(b) Provident fund: Eligible employees of the Company receive benefit under the provident fund which is a defined contribution plan where in both the employee and the Company make monthly contributions equal to a specified percentage of the covered employees' salary. These contributions are made to the fund administered and managed by the Government of India. The Company's monthly contributions are charged to the statement of profit and loss in the period they are incurred. The total charge for the year amounts to ₹ 215 Lakhs (31 March 2018 - ₹ 192 Lakhs).

ii) Defined benefit plan:

(a) Gratuity: Company has charged the gratuity expense to Statement of profit and loss based on the actuarial valuation of gratuity liability at the end of the year. The projected unit credit method used to show the position is as under.

(i) Assumptions:

Particulars	31 March 2019	31 March 2018
Discount rate	**7.76%**	7.73%
Rate of return on plan assets	**7.76%**	7.73%
Salary escalation	**8.00%**	8.00%
Attrition rate	**5.00%**	5.00%

(ii) Sensitivity analysis

Currency : (₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Projected benefit obligation on current assumptions	**3,580**	3,067
Delta effect of +1% change in rate of discounting	**(260)**	(295)
Delta effect of -1% change in rate of discounting	**303**	353
Delta effect of +1% change in rate of salary increase	**299**	349
Delta effect of -1% change in rate of salary increase	**(261)**	(297)
Delta effect of +1% change in rate of employee turnover	**(9)**	(7)
Delta effect of -1% change in rate of employee turnover	**10**	8

(iii) Table showing change in benefit obligation:

Particulars	31 March 2019	31 March 2018
Liability at the beginning of the year	**3,070**	2,605
Interest cost	**238**	199
Current service cost	**244**	225
Benefits paid	**(26)**	(44)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	**(8)**	(69)
Actuarial (gains)/losses on obligations - due to experience	**50**	154
Liability at the end of the year	**3,568**	3,070

(iv) Table showing fair value of plan assets:

Particulars	31 March 2019	31 March 2018
Fair value of plan assets at the beginning of the year	**2,737**	2,192
Interest income	**212**	168
Expected return on plan assets	**-**	-
Contributions	**333**	412
Benefits paid	**(26)**	(44)
Actuarial gain / (loss) on plan assets	**27**	9
Fair value of plan assets at the end of the year	**3,284**	2,737

(v) Amount recognised in the Balance Sheet

Currency : (₹ in Lakhs)

Particulars	**31 March 2019**	31 March 2018
Fair value of plan assets as at the end of the year	**3,284**	2,737
Liability as at the end of the year	**3,568**	3,070
Net (liability) disclosed in the Balance Sheet	**(284)**	(333)

(vi) Net interest cost for current period/year

Particulars	**31 March 2019**	31 March 2018
Interest cost	**238**	199
Interest Income	**(212)**	(168)
Net interest cost for current year	**26**	31

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

Particulars	**31 March 2019**	31 March 2018
Current Service cost	**244**	225
Net Interest Cost	**26**	31
Expenses recognised in the Statement of Profit & Loss	**270**	257

(viii) Expenses recognised in the other comprehensive income

Particulars	**31 March 2019**	31 March 2018
Expected return on plan assets	**(27)**	(9)
Actuarial (gain) or loss	**41**	85
Net (income)/expense for the year recognized in OCI	**14**	76

(ix) Balance sheet reconciliation

Currency : (₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Opening net liability	**333**	413
Expenses recognized in statement of profit or loss	**270**	257
Expenses recognized in OCI	**14**	76
Employers contribution	**(333)**	(412)
Amount recognised in the balance sheet	**284**	333

(x) Category of assets

Particulars	31 March 2019	31 March 2018
Insurer managed funds	**3,284**	2,737
Total	**3,284**	2,737

(xi) Expected contribution for next year

Particulars	31 March 2019	31 March 2018
Expected contribution for next year	**293**	348
Total	**293**	348

24 Financial instruments

24.1 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2018 were as follows:

Currency : (₹ in Lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (refer Note 10)	4,635	-	-	-	-	4,635	4,635
Tax free bonds (refer Note 3)	24,398	-	-	-	-	24,398	24,398
Liquid mutual fund units (refer Note 8)	-	-	3,712	-	-	3,712	3,712
Non convertible debentures (refer Note 3 and 8)	584	-	-	-	-	584	584
Trade receivables (refer Note 9)	16,510	-	-	-	-	16,510	16,510
Other financial assets (refer Note 4)	5,352	-	-	-	-	5,352	5,352
Total	**51,479**	**-**	**3,712**	**-**	**-**	**55,191**	**55,191**
Liabilities:							
Trade payables (refer Note 16)	7,389	-	-	-	-	7,389	7,389
Other financial liabilities (refer Note 15)	1,277	-	-	-	-	1,277	1,277
Total	**8,666**	**-**	**-**	**-**	**-**	**8,666**	**8,666**

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

Currency : (₹ in Lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (refer Note 10)	3,939	-	-	-	-	3,939	3,939
Tax free bonds (refer Note 3)	32,176	-	-	-	-	32,176	32,176
Liquid mutual fund units (refer Note 8)	-	-	4,594	-	-	4,594	4,594
Non convertible debentures (refer Note 3 and Note 8)	482	-	-	-	-	482	482
Trade receivables (refer Note 9)	18,188	-	-	-	-	18,188	18,188
Other financial assets (refer Note 4)	5,000	-	-	-	-	5,000	5,000
Total	**59,785**	**-**	**4,594**	**-**	**-**	**64,379**	**64,379**
Liabilities:							
Trade payables (refer Note 16)	8,994	-	-	-	-	8,994	8,994
Other financial liabilities (refer Note 15)	760	-	-	-	-	760	760
Total	**9,754**	**-**	**-**	**-**	**-**	**9,754**	**9,754**

24.2 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	As of 31 March 2018	Fair value measurement at end of the reporting year		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (refer note 8)		3,712	-	-
Investments in tax free and Government bonds (refer note 3 and 8)		-	24,398	-
Investments in non convertible debentures (refer note 8)		584		-

Particulars	As of 31 March 2019	Fair value measurement at end of the reporting year		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (refer note 8)		4,594	-	-
Investments in tax free and Government bonds (refer note 3 and 8)		-	32,176	-
Investments in non convertible debentures (refer note 8)		482		-

The fair value of liquid mutual funds is based on quoted price. The fair value of tax free bonds and Government bonds is based on quoted prices and market observable inputs. The fair value is of non-convertible debentures is based on quoted prices.

24.3 Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹17,273 lakhs, ₹16,510 lakhs and ₹18,188 lakhs as of 31 March 2017, 31 March 2018 and 31 March 2019, respectively. Trade receivables is typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Credit risk has always been managed by the Company by continuously monitering credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	31 March 2019	31 March 2018
Revenue from top customer	4	19
Revenue from top five customers	9	60

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended 31 March as as under

Particulars	31 March 2019	31 March 2018
Balance at the beginning of the year	119	-
Amounts written off	-	-
Net re-measurment of loss allowance	-	119
Balance at the end of the year	**119**	**119**

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted bonds issued by Government and quasi-Government organizations, non convertible debentures issued by Government aided institutions and certificates of deposit which are funds deposited at a bank for a specified time period.

Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The companies working capital including cash and cash equivalents and investment are as follows:

Particulars	31 March 2019	31 March 2018
Current assets	**33,037**	31,082
Current liability	**17,355**	16,411
Working capital	**15,682**	**14, 671**
Cash and cash equivalents	**5,549**	5,196
Investments	**4,642**	3,817

As of 31 March 2018 and 31 March 2019, the outstanding employee benefit obligations were Rs. 333 lakhs and Rs. 284 lakhs (refer Note no 13) respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2019:

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables (refer Note 16)	8,994	-	-	-	8,994
Other financial liabilities (refer Note 15)	760	-	-	-	760

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2018:

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables (refer Note 16)	7,389	-	-	-	7,389
Other financial liabilities (refer Note 15)	1,277	-	-	-	1,277

25 In accordance with Indian Accounting Standard 17 - "Leases" notified under the Rule 7 of the Companies (Accounts) Rules, 2014, the details of obligation on long term non - cancellable operating lease in respect of certain vehicles and office premises taken by the company are as follows:

Currency : (₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Lease obligations		
Total of future minimum lease payments:		
-- Not later than one year	**473**	518
-- Later than one year and not later than five years	**171**	580
-- Later than five years	**-**	-

There is no income from sub-leases recognised in the statement of profit and loss for the year ended March 31, 2019 and March 31, 2018.

26 The Company's business is to provide IT enabled e-Governance services to its clients in India. All other activities of the Company revolve around the main business. As such, there are no reportable segments as per the Ind AS 108 – 'Operating Segment'.

27 Related Party Transactions

In compliance with Indian Accounting Standard 24 - "Related Party Disclosures" notified under the Rule 7 of the Companies (Accounts) Rules, 2014, the required disclosures are given in the table below:

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

Related party
a. Company having substantial interest
IDBI Bank Ltd (till February 16, 2018)
IIFL Special Opportunities Fund (from February 16, 2018)
NSE Investments Limited (erstwhile NSE stategic investment Corporation Limited) (from October 1, 2013)

b. Key Managerial Personnel
Mr. Gagan Rai- Managing Director & CEO
Mr. Jayesh Sule - WTD & COO
Mr. Tejas Desai - CFO
Mr. Pankaj Srivastava - Company Secretary (upto August 18, 2017)
Mr.Maulesh Kantharia - Company Secretary (from September 20, 2017)

c. Foreign subsidiary
NSDL e-Governance(Malaysia) SDN BHD

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

Currency : (₹ in Lakhs)

Nature of transactions	For the year ended	KMP of the Company and KMP of parent Company	Foreign subsidary	Company having substantial interest
Dividend paid	March 31, 2019	-	-	1431
	March 31, 2018	-	-	1431
Other Income	March 31, 2019	-	-	-
	March 31, 2018	-	-	67
Revenue	March 31, 2019	-	-	-
	March 31, 2018	-	-	15
Remuneration paid	March 31, 2019	829	-	-
	March 31, 2018	753	-	-
Loans and advances	March 31, 2019	-	42	-
	March 31, 2018	-	43	-

The above remuneration excludes gratuity, leave encashment and other benefits for which separate acturial valuation is not available.

28 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹1,896 lakhs (previous year : ₹1420 lakhs).

29 Contingent liability:

(i) Claims against the Company not acknowledged as debts: ₹ 99 lakhs (Previous Year : ₹ 99 lakhs) (net) #

(ii) On account of disputed demand raised by Sales tax officer for MVAT and CST: ₹ 2,260 lakhs (Previous Year: ₹ 2,260 lakhs) @

(iii) **Supreme Court ruling on contibution to provident fund:**

"The Hon' 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 February 28, 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.
In view of the management, the liability for the period from date of the SC order to March 31, 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements."
accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements."

MVAT payable to seller on purchase of Times Tower premises

@ Demand raised by sales tax officer for MVAT and CST payable on services provided by Company. The Company has filed appeal with - Maharashtra Sales Tax Tribunal.

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

Under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, which came into force from 2 October 2006, and on the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the micro and small enterprises:

Particulars	31 March 2019	31 March 2018
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-- Principal	**508**	508
-- Interest		
Amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	**-**	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	**-**	-

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

32 As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount spent by the Company on Corporate Social Responsibility activities during the financial year 2018-19 is ₹ 322 lakhs (31 March 2018: ₹ 303 lakhs).

b) Amount spent during the year:

Particulars	Amount paid	Yet to be paid	Total
Construction / acquisition of any asset	-	-	-
On above purpose	322	112	322

33 Employee stock option plan

The shareholders of the Company had approved NSDL Employees Stock Option Plan, 2017 on December 4, 2017. As per ESOP 396, 192 NOs Stock Options granted on December 4, 2017 to Managing Director and other specified categories of employees of the Company. The options are to be granted at exercise price per option of ₹ 310/- ., upon vesting, shall entitle the holder to acquire 1 equity share of ₹ 10 as face value, with an exercise period of 3 years from the date of vesting.

Grant date	Exercise price	Options granted	Options vested and exer-cisable	Options unvested	Options exer-cised	Options can-celled	Options out-standing
December 4, 2017	310.00	3,96,192	1,03, 387	2,82, 470	5,300	5,035	3,85,857
Total		**3,96,192**	**1,03, 387**	**2,82, 470**	**5,300**	**5,035**	**3,85,857**

Movement of stock options during the year

33 Employee stock option plan

Particulars	For the year ended 31 March 2019				For the year ended 31 March 2018			
	No. of options	Range of exercise prices Rs.	Weighted average exercise price Rs.	Weighted average remaining contractual life (Years)	No. of options	Range of exercise prices Rs.	Weighted average exercise price Rs.	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	3,96,192	-	-	6.03	-	-	-	-
Granted during the year	-	-	-	-	3,96,192	-	-	6.03
Adjusted for corporate action of bonus and split	-	-	-	-	-	-	-	-
Forfeited during the year	5,035	310	310	-	-	-	-	-
Expired during the year	-	-	-	-	-	-	-	-
Exercised during the year	5,300	310	310	4.03	-	-	-	-
Outstanding at the end of the year	3,85,857	310	310	4.03	3,96,192	-	-	6.03
Exercisable at the end of the year	1,03,387	310	310	2.68	-	-	-	-

Significant assumptions used to estimate the fair value of options:

Variables	
1. Risk free interest rate	6.77%
2. Expected life	3.83
3. Expected volatility	60.18%
4. Dividend yield	2.10%
5. Price of the underlying share in market at the time of the option grant (Rs.)	310.00

The stock-based compensation cost calculated as per the intrinsic value method for the period April 1, 2018 to March 31, 2019 is NIL. If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognised in the total cost to be recognised in the financial statements for the period April 1, 2018 to March 31, 2019 is ₹ 2,50,07,722/-. The effect of adopting the fair value method on the net income and earnings per share is presented below:

Adjusted net income and earning per share

Particulars	For the year ended 31 March 2019 (₹ in Lakhs)	For the year ended 31 March 2018 (₹ in Lakhs)
Net income as reported	**12,448**	13,552
Earning per share: Basic		
-- As reported	**31.12**	33.88
-- Adjusted pro forma	**31.12**	34.12
Earning per share: Diluted		
-- As reported	**31.03**	33.88
-- Adjusted pro forma	**31.03**	34.12

34 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its funds in a manner that it achieve maximum returns (net of taxes) with minimum risk to the capital and consider the liquidity concerns for its working capital requirements.

To meet the above objectives, the Company invests it funds in bank fixed deposits receipts (FDRs) and the tax free bonds, mutual funds as per the Company's investment policy.

Since the Company has no loan and borrowings, the disclosure requirement related to capital management defined in clause 135 (a) (ii), and (b) to (e) to the Ind AS 1 "Presentation of Financial Statements" are not applicable to the Company.

35 For the year ended March 31, 2019, 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.

36 CHANGE DUE TO TRANSITION TO IND AS - 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

The Company has applied Ind AS 115, Revenue from Contracts with Customers with effect from April 1, 2018. The application of Ind AS 115 has resulted in changes in accounting policies and adjustment to the amounts recognised in the financial statements. The Company has adopted Ind AS 115 retrospectively with the cumulative effect of initial application recognized in the opening retained earnings on April 1, 2018. Pursuant to the adoption of Ind AS 115, the Company has identified two separate performance obligation in scanning and storage contract and has determined the separate transaction price for the storage services.

Pursuant to the Ind AS 115 adoption, as at April 1, 2018, retained earnings are lower by ₹ 132 lakhs which comprises of increase in deferred revenue aggregating ₹ 658 lakhs which is offset by an increase in deferred expenses aggregating ₹ 526 lakhs and impact on deferred tax assets (net) by ₹ 46 lakhs.

37 Subsequent events

Dividends declared by the Company are based on the profit available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable dividend distribution tax. On June 5, 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 6.5 per share in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 3134 lakhs, inclusive of corporate dividend tax of ₹ 534 lakhs.

38 Previous year figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: **116231W/W-100024**

For and on behalf of the Board of Directors of
NSDL e-Governance Infrastructure Limited
(CIN: U72900MH1995PLC095642)

Sd/-
N Sampath Ganesh
Partner
Membership No: 042554

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Gagan Rai
Managing Director and CEO
DIN-00059632

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Place : **Chennai**
Date : June 5, 2019

Place : **Mumbai**
Date : June 5, 2019

Sd/-
Maulesh Kantharia
Company Secretary

CONSOLIDATED FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

To the Members of
NSDL e-Governance Infrastructure Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of NSDL e-Governance Infrastructure Limited (hereinafter referred to as "the Holding Company"), and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group") which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss(including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of the subsidiary as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section* of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditor, 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 Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirement of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company 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 respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 control 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 with reference to financial statements 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group (Company and its subsidiary) to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

(A) As required by Section 143(3) of the Act, based on our audit we report to the extent applicable, that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 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 with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary:

i. The consolidated financial statement disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 29 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended ;

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2019;

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director of the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

N Sampath Ganesh
Partner
Membership No: 042554

Place: Chennai
Date: 5 June 2019

NSDL e-Governance Infrastructure Limited

Annexure A to the Independent Auditor's Report on the consolidated financial statements of NSDL e-Governance Infrastructure Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of NSDL e-governance Infrastructure Limited (hereinafter referred to as "the Holding Company").

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. 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 Holding 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements is restricted to the Holding Company since the subsidiary of the Holding Company is a foreign subsidiary, which is not subject to the Report on the Internal Financial Controls.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

N Sampath Ganesh
Partner
Membership No: 042554

Place: Chennai
Date: 5 June 2019

Consolidated Balance Sheet as at 31 March 2019

Currency : (₹ in Lakhs)

Particulars			Note	As at 31.03.2019	As at 31.03.2018
Assets					
1	Non-current assets				
	a	Property, plant and equipments	2	**13,100**	13,093
	b	Capital work-in-progress		**513**	579
	c	Other intangible assets	2	**413**	556
	d	Financial assets			
	i	Investments	3	**32,610**	24,877
	ii	Other financial assets	4	**2,934**	1,688
	e	Income tax assets (net)	5	**1,856**	1,740
	f	Deferred tax assets (net)	6	**83**	126
	g	Other non-current assets	7	**457**	382
		Total non current assets		**51,966**	43, 041
2	Current assets				
	a	Financial assets			
	i	Investments	8	**4,642**	3,817
	ii	Trade receivable	9	**18,188**	16,510
	iii	Cash and cash equivalents	10	**3,939**	4,644
	iv	Other bank balances (bank balances other than iii above)	11	**1,610**	561
	v	Other financial assets	4	**2,069**	3,108
	b	Other current assets	7	**2,589**	2,454
		Total current assets		**33,037**	31,094
		Total assets		**85,003**	74,135

Consolidated Balance Sheet as at 31 March 2019

Currency : (₹ in Lakhs)

Particulars			Note	As at 31.03.2019	As at 31.03.2018
		Equity and liabilities			
1	**Equity**				
	a	Equity share capital	12	**4,001**	4,000
	b	Other equity	13	**62,617**	52,979
		Equity attributable to shareholders of the company		**66,629**	56,983
		Non-controlling interest	13&28	**(11)**	(4)
		Total equity		**66,618**	56,979
2	**Liabilities**				
	1	**Non-current liabilities**			
	a	Provisions	14	**171**	155
	b	Other financial liabilities (Other than provisions in (b) below)	15	**328**	-
		Total non current liabilities		**499**	155
	2	**Current liabilities**			
	a	Financial liabilities			
	i	Other financial liabilities (Other than provisions in (b) below)	15	**759**	1,277
	ii	Trade payable			
		1. Dues of micro enterprises and small enterprises	30	**508**	508
		2. Dues of creditors other than micro enterprises and small enterprises	16	**8,486**	6,881
	b	Provisions	14	**2,340**	2,241
	c	Other current liabilities	17	**5,261**	5,504
	d	Income tax liabilities (net)	5	**532**	590
		Total current liabilities		**17,886**	17,001
		Total equity and liabilities		**85,003**	74,135
See accompanying notes to the consolidated financial statements			1 to 39		

As per our report of even date attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: **116231W/W-100024**

For and on behalf of the Board of Directors of
NSDL e-Governance Infrastructure Limited
(CIN: U72900MH1995PLC095642)

Sd/-
N Sampath Ganesh
Partner
Membership No: 042554

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Gagan Rai
Managing Director and CEO
DIN-00059632

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Place : **Chennai**
Date : June 5, 2019

Place : **Mumbai**
Date : June 5, 2019

Sd/-
Maulesh Kantharia
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March 2019

Currency : (₹ in Lakhs)

	Note	For the year ended 31.03.2019	For the year ended 31.03.2018
Income			
Revenue from operations	18	**75,625**	89,758
Other income	19	**3,480**	2,714
Total Income		**79,105**	**92,472**
Expenses			
Employee benefits expense	20	**6,518**	6,084
Finance costs		**18**	39
Depreciation and amortisation expense	2	**1,989**	1,055
Other expenses	21	**52,416**	65,623
Total Expenses		**60,941**	72,801
Profit before tax		**18,164**	19,671
Less : Tax expenses			
Current tax	5	**5,737**	6,223
Deferred tax	5	**(3)**	(100)
Total tax expenses		**5,734**	6,123
Profit for the year (A)		**12,430**	13,548
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the defined benefit liability / asset (net of tax)		**(14)**	(76)
Total other comprehensive income (net of tax) (B)		**(14)**	(76)
Total comprehensive income (A+B)		**12,416**	13,471
Profit attributable to:			
Owners of the company		**12,420**	13,475
Non-controlling Interest	28	**(7)**	(4)
Profit for the year		**12,413**	**13,471**
Earnings per equity share			
Weighted average equity shares used in computing earnings per equity share			
- Basic (₹)		**4,00,00,348**	4,00,00,000
- Diluted (₹)		**4,01,10,712**	4,00,00,000
Equity shares of par value ₹ 10 each			
- Basic (₹)		**31.08**	33.87
- Diluted (₹)		**30.99**	33.87
See accompanying notes to the financial statements	1 to 39		

As per our report of even date attached
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For and on behalf of the Board of Directors of
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Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Place : **Chennai**
Date : June 5, 2019

Place : **Mumbai**
Date : June 5, 2019

Sd/-
Maulesh Kantharia
Company Secretary

Consolidated Statement of changes in Equity for the year ended 31 March 2019

A. Equity share capital

Currency : (₹ in Lakhs)

Balance as at 1 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018
4000	0	4000

Balance as at 1 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
4000	1	4001

Consolidated Statement of changes in Equity for the year ended 31 March 2019

B. Other equity

Currency : (₹ in Lakhs)

Particulars	Other equity						Attributable to non controlling interest	Total
	Attributable to owners of the company							
	Reserves and surplus			ESOP reserve	Securities premium	Other comprehensive income		
	Capital redemption reserve	General reserve	Retained earnings			Other items of other comprehensive income		
Balance as at the April 1, 2017	**2,500**	**20,843**	**19,615**	**-**	**-**	**(414)**	**-**	**42,544**
Transfer from retained earnings	-	9,000	(9,000)	-	-	-	-	**-**
Re-measurement of the defined benefit liability / asset	-	-	-	-	-	(76)	-	**(76)**
Employee stock appreciation rights	-	-	-	97	-	-	-	**97**
Non controlling interest of minority shareholders in subsidairy	-	-	-	-	-	-	(4)	**(4)**
Dividend (including tax on dividend)	-	-	(3,129)	-	-	-	-	**(3,129)**
Profit for the year ended March 31, 2018	-	-	13,547	-	-	-	-	**13,547**
Balance as at the March 31, 2018	**2,500**	**29,843**	**21,033**	**97**	**-**	**(490)**	**(4)**	**52,979**

Consolidated Statement of changes in Equity for the year ended 31 March 2019

Currency : (₹ in Lakhs)

Particulars	Other equity						Attributable to non controlling interest	Total
	Attributable to owners of the company							
	Reserves and surplus			ESOP reserve	Securities premium	Other comprehensive income		
	Capital redemption reserve	General reserve	Retained earnings			Other items of other comprehensive income		
Balance as at the April 1, 2018	**2,500**	**29,843**	**21,033**	**97**	**-**	**(490)**	**(4)**	**52,979**
Transfer from retained earnings	-	10,000	(10,000)					-
Adjustment on initial application of IndAS 115, net of tax (refer note 37)	-	-	86	-	-	-	-	**86**
Re-measurement of the defined benefit liability / asset	-	-	-	-	-	(14)	-	**(14)**
Employee stock appreciation rights	-	-	-	250	16	-	-	**266**
Non controlling interest of minority shareholders in subsidairy	-	-	-	-	-	-	**(7)**	**(7)**
Dividend (including tax on dividend)	-	-	(3,134)	-	-	-	-	**(3,134)**
Profit for the year ended March 31, 2019	-	-	12,430	-	-	-	-	12,430
Balance as at the March 31, 2019	**2,500**	**39,843**	**20,415**	**347**	**16**	**(504)**	**(11)**	**62,606**

Note: # Purpose of Reserve stated as follows:

(a) Capital redemption reserve: Capital redemption reserve is created to purchases its own shares out of free reserves and same to be utilized in accordance with the provision of the Companies Act, 2013.

(b) General reserve: The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

(c) ESOP reserve: The ESOP reserve is created out equity shares issued as per terms and conditions stated in Employee Stock options plan 2017 and same will be utilized as free reserve.

(d) Securities premium : Securities premium is used to record the premium on issue of shares. The reserve to be utilized in accordance with the provisions of the Companies Act, 2013.

As per our report of even date attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: **116231W/W-100024**

For and on behalf of the Board of Directors of
NSDL e-Governance Infrastructure Limited
(CIN: U72900MH1995PLC095642)

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Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place : **Chennai**
Date : June 5, 2019

Place : **Mumbai**
Date : June 5, 2019

Consolidated Statement of Cash Flows for the year ended 31 March 2019

Currency : (₹ in Lakhs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
A)	**Cash flow from operating activities**		
	Profit before tax	**18,164**	19,671
	Adjustments for :		
	Depreciation and amortisation	**1,989**	1,055
	Amortisation of premium / discount on Government/debt securities	**146**	85
	Loss on sale /discard of assets	**12**	-
	Provision for impairment of assets	**6**	-
	(Gain) / loss on foreign currency fluctuation	**-**	(4)
	Loss on sale of current investment	**5**	2
	Adjustments for :		
	Interest Income on Long Term Investment	**(2,263)**	(1,737)
	Interest Income on Bank deposit	**(190)**	(241)
	Excess provision written back	**-**	(51)
	Interest Paid on Income tax	**18**	39
	Employee Stock Option Plan	**250**	97
	Gratuity OCI	**(14)**	-
	Dividend received - others	**(116)**	(210)
	Operating cash flow before changes in working capital	**18,007**	18,706
	Changes in working capital		
	Trade receivable	**(1,650)**	763
	Other assets	**825**	(601)
	Other financial liabilities, other liabilities and provisions	**1,414**	(2,527)
	Net changes in working capital	**18,596**	16,342
	Income taxes paid	**(5,911)**	(6,460)
	Net cash used in operating activities (A)	**12,685**	9,882

Consolidated Statement of Cash Flows for the year ended 31 March 2019

Currency : (₹ in Lakhs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
B)	**Cash flow from investing activities**		
	Purchase of property plant and equipment and capital advances given	**(2,740)**	(4,837)
	Proceeds from sale of fixed assets	**21**	2
	Interest received	**2,312**	1,925
	Dividend received	**116**	210
	Purchase of non-current investments (net of interest accrued upto date of purchase)	**(7,933)**	(5,173)
	Purchase of current investments	**(6,618)**	(2,709)
	Investment in fixed deposit	**(1,249)**	(710)
	Proceeds from redemption of non-current investments	**100**	259
	Proceeds from redemption of current investments	**5,736**	2,555
	Proceeds from redemption/maturity of fixed deposit	**-**	700
	Interest paid on income tax	**(18)**	(39)
	Net cash used in investing activities (B)	**(10,273)**	(7,817)
C)	**Cash flow from financing activities**		
	Proceeds from issue of share capital (including security premium amount)	**17**	-
	Dividend paid	**(2,605)**	(2,600)
	Dividend distribution tax paid	**(529)**	(529)
	Net cash generated from (used in) financing activities (C)	**(3,117)**	(3,129)
	Net increase/(decrease) in cash and cash equivalents at the end of the year (A+B+C)	**(705)**	(1,064)
	Cash and cash equivalents at the beginning of the year	**4,644**	5,708
	Cash and cash equivalents at the end of the year	**3,939**	4,644

Notes to Cash Flow Statement:

1 *Cash and cash equivalent represent cash, bank balances with original maturity of less than three months.*

2 *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 Companies (Accounts) Rules, 2014 as amended from time to time.*

3 *Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current period classification / disclosure.*

As per our report of even date attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: **116231W/W-100024**

For and on behalf of the Board of Directors of
NSDL e-Governance Infrastructure Limited
(CIN: U72900MH1995PLC095642)

Sd/-
N Sampath Ganesh
Partner
Membership No: 042554

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Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place : **Chennai**
Date : June 5, 2019

Place : **Mumbai**
Date : June 5, 2019

1. Corporate information

NSDL e-Governance Infrastructure Limited ("the Group") was incorporated in December 1995, is engaged in providing Information Technology (IT) enabled e-Governance services. The current projects of the Group are Central Recordkeeping Agency (CRA) under the National Pension System regulated by Pension Fund Regulatory and Development Authority (PFRDA); Tax Information Network (TIN), the activity of processing the applications for allotment of Permanent Account Number (PAN) and National Judicial Reference System (NJRS) on behalf of Income Tax Department, Government of India; Electronic Accounting System in Excise and Service Tax (EASIEST) on behalf of Central Board of Indirect Taxes and Customs (CBIC), Government of India and acting as a Registrar to Unique Identification Authority of India (UIDAI), Planning Commission, Government of India.

The Board of Directors approved the consolidated consolidated financial statements for the year ended March 31, 2019 and authorised for issue on June 5, 2019.

1.1 Summary of significant accounting policies :

a) Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

b) Basis of preparation of Financial Statements

These consolidated financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Group. These consolidated financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months. The statement of cash flows have been prepared under indirect method.

c) Use of estimates

The preparation of the consolidated financial statements in conformity with the recognition and measurement principles of the Ind AS requires management of the Group 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 consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated financial statements have been disclosed below. Accounting estimates could change from period to period. Although these estimate are based on management's best knowledge of current events and actions, uncertainty about the assumption and estimates could result in the outcome requiring material adjustment to the carrying amount of asset and liabilities.

Defined benefit

The cost of the defined benefits that includes gratuity and compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Income taxes

The Group's tax jurisdictions is only in India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 'q'

Trade receivables

The Group estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

d) Leases

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term unless the increase in the lease rent is not in line with expected general inflation to compensate for the lessor expected inflationary cost increase.

e) Revenue Recognition

The Group earns revenue primarily from providing Information Technology (IT) enabled e-Governance services. The Group offers integrated portfolio of IT, business and engineering services and solutions.

Effective April 1, 2018, the Group 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 Group 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 the 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 1.1(d) – Significant accounting policies – Revenue recognition in the Annual report of the Group 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 consolidated financial statements of the Group 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 Group expects to receive in exchange for those products or services.

To recognise revenues, the Group applies the following five step approach;

(1) identify the contract with a customer,
(2) identify the performance obligations in the contract,
(3) determine the transaction price,
(4) allocate the transaction price to the performance obligations in the contract and
(5) recognize revenues when a performance obligation is satisfied.

Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the client and is the unit of accounting in Ind AS 115.

The performance obligations of the Group are satisfied over time as services are rendered.

(1) The subscription income is recognised over the subcription period;
(2) The installation revenue is recognised over the period when the Group is expected to realise economic benefits from such installation;
(3) The carriage income is recognised on a straight-line basis;
(4) Other operating revenues are recognised on satisfaction of performance obligation by transferring services (control of asset) to the customer.

Determination of transaction price

Revenue is measured based on transaction price which includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Revenues also exclude taxes collected from customers.

Allocation of transaction price

A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, the Group allocates the contract's transaction price to each performance obligation based on the relative standalone selling price. The primary method used to estimate standalone selling price is the adjusted market assessment approach, under which the Group evaluates the price in that market that a customer is willing to pay for those services. While determining relative standalone selling price and identifying separate performance obligations require judgment, generally relative standalone selling prices and the separate performance obligations are readily identifiable as the Group sells those performance obligations unaccompanied by other performance obligations.

Contract balances

A contract asset is right to consideration in exchange of services that the Group has rendered to a customer when that right is conditioned on something other than passage of time. 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.

A contract liability is the obligation to render services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group renders services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group renders services as per the contract.

i) Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

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

iii) Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

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

Revenue is measured based on the transaction price, which is the consideration, adjusted for service level credits 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.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Contracts are subject to modification to account for changes in contract specification and requirements.

The Group 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.

Use of significant judgements in revenue recognition

i) The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group 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.

ii) 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 service level credits 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 Group 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.

iii) The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group 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 Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

iv) The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group 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.

v) Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence whichever is less. 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.

Interest income

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

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

f) 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 indirect taxes, wherever input credit is claimed.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group 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 Group and the cost of the item can be measured reliably.

Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred.

The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

g) Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method.

Depreciation on additions / deletions is provided on pro-rata basis from the date of acquisition/ up to the date of deletion

Depreciation on assets is provided on the straight-line method using the rates based on the economic useful life of assets as estimated by the management but not being more than the limits specified in Schedule II of the Companies Act, 2013 as below :

The details of the estimated useful life of the assets where the depreciation is provided at the rate higher than the specified in Schedule II of the Companies Act, 2013 are as follows:

Assets	Estimated Useful Lives
Central System	6 years
Servers	6 years
Computers	3 years
Communication (Network)	6 years
Electrical Installations	10 years
Office Equipment's	5 years
Furniture	10 years
Buildings	60 years

Computer Software is amortized over a period of 2 years.

i) 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) On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

h) Intangible assets

Intangible assets comprising of software are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Cost of development and production incurred till the time software is put to use is capitalised.

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.

Research cost are expensed as incurred.

Development costs

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

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

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

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

i) Impairment of tangible and intangible assets excluding goodwill

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

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

j) Foreign currency transactions and translation

Transactions and translations

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

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

Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction.

k) Employee benefit costs

- **Short- term employee benefits**

  Short term employee benefits are charged to revenue in the year in which the related service is rendered.

- **Post-Employment benefits**

  Defined Contribution plans

i) Provident Fund: Employees are entitled to receive benefits in respect of provident fund, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary). The contributions, as specified under the law were made to Recognised Provident Fund.

ii) Superannuation: Certain employees of the Group are participants in a defined contribution plan. The Group has no further obligations to the Plan beyond its annual contributions which are contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India

Defined benefit Plans

i) Gratuity: The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

The Group 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 Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. The Group recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

Gains or losses through re-measurement of the net defined benefit liability / (asset) are recognised in other comprehensive income. The actual return of portfolio of plan assets, in excess of yields computed by applying the discount rate used to measure the defined benefit obligation are recognised in other comprehensive income. The effects of any plan amendments are recognised in statement of profit and loss.

ii) Compensated absences: The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

l) Income Tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current tax

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current tax assets and current tax liabilities are offset only if there is a legally inforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

m) Provisions, Contingent liabilities and Contingent assets

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

n) Cash Flow statement.

Cash flows are reported using the indirect method, whereby profit or loss 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 Group are segregated.

o) Cash and Bank balances

Cash and cash equivalents comprise cash in hand, balance with banks and term deposits with banks with original maturity up to three months.

Other bank balances comprises of term deposit with banks having maturity of more than three months but less than twelve months from the Balance sheet date.

p) 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.

q) Financial instruments

Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

Financial assets

Financial assets are classified into the following specified categories: financial assets "at amortised cost", "fair value through other comprehensive income", "fair value through Profit or Loss". The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset at the time of initial recognition.

Financial assets are recognised by the Group as per its business model.

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially at fair value through profit or loss.

Income and expense is recognised on an effective interest basis for debt instrument, Other Equity instruments are classified as "fair value through Profit or Loss".

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables (including trade and other receivables) and others are measured at amortised cost using the effective interest rate (EIR) method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Loans and receivables

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Subsequent measurement

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

Financial liabilities and equity instruments

Equity instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Non-current Assets Held for Sale and Discontinued Operations

Non-current assets held for sale are measured at lower of the carrying value and the fair value less cost to sell

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

r) Dividends

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

1.2 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from April 1, 2019:

Ind AS – 116

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 16, effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Group is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from April 01, 2019, the Group will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

As a lessor, sublease shall be classified an operating lease if the head lease is classified as a short term lease. In all other cases the sublease shall be classified as a finance lease.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify 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. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

2 Property, plant, equipments and intangible assets

Following are the changes in the carrying value of property, plant, equipments and intangible assets for the year ended 31 March 2019

Currency : (₹ in Lakhs)

Particulars	Property, plant and equipments								Other intangible assets	
	Land freehold	Building	Computers	Data and telecommunication equipments	Electric installation	Office equipment	Furniture and fixtures	Total	Computer softwares (others)	Total
Gross carrying value as of 1 April 2018	**1,574**	**9,354**	**6,451**	**1,188**	**1,397**	**2,647**	**1,334**	**23,945**	**4,347**	**4,347**
Additions	-	68	583	651	-	101	1	**1,404**	480	**480**
Deletions	-	-	307	33	112	54	88	**594**	-	**-**
Gross carrying value as of 31 March 2019	**1,574**	**9,422**	**6,727**	**1,806**	**1,285**	**2,694**	**1,247**	**24,755**	**4,827**	**4,827**
Accumulated depreciation as of 1 April 2018	**-**	**3,987**	**4,432**	**873**	**490**	**681**	**388**	**10,851**	**3,791**	**3,791**
Depreciation	-	87	530	135	90	424	100	**1,366**	623	**623**
Accumulated depreciation on deletion	-	-	292	32	106	48	84	**562**	-	**-**
Accumulated depreciation as of 31 March 2019	**-**	**4,074**	**4,670**	**976**	**474**	**1,057**	**404**	**11,655**	**4,414**	**4,414**
Carrying value as of 31 March 2019	**1,574**	**5,348**	**2,057**	**830**	**811**	**1,637**	**843**	**13,100**	**413**	**413**

2 Property, plant, equipments and intangible assets

Following are the changes in the carrying value of property, plant, equipments and intangible assets for the year ended 31 March 2018

Currency : (₹ in Lakhs)

Particulars	Property, plant and equipments								Other intangible assets	
	Land freehold	Building	Computers	Data and telecommunication equipments	Electric installation	Office equipment	Furniture and fixtures	Total	Computer softwares (others)	Total
Gross carrying value as of 1 April 2017	**1,574**	**5,290**	**5,590**	**1,058**	**524**	**684**	**516**	**15,236**	**3,560**	**3,560**
Additions	-	4,064	938	130	873	1,965	824	**8,794**	787	**787**
Deletions	-	-	77	-	-	2	6	**85**	-	**-**
Gross carrying value as of 31 March 2018	**1,574**	**9,354**	**6,451**	**1,188**	**1,397**	**2,647**	**1,334**	**23,945**	**4,347**	**4,347**
Accumulated depreciation as of 1 April 2017	**-**	**3,947**	**4,090**	**813**	**459**	**531**	**348**	**10,188**	**3,479**	**3,479**
Depreciation	-	40	415	60	31	152	45	**743**	312	**312**
Accumulated depreciation on deletion	-	-	73	-	-	2	5	**80**	-	**-**
Accumulated depreciation as of 31 March 2018	**-**	**3,987**	**4,432**	**873**	**490**	**681**	**388**	**10,851**	**3,791**	**3,791**
Carrying value as of 31 March 2018	**1,574**	**5,367**	**2,019**	**315**	**907**	**1,966**	**946**	**13,093**	**556**	**556**

The aggregate depreciation has been included under depreciation and amortisation expenses in the Statement of Profit and Loss

3 Non-current investments

Currency : (₹ in Lakhs)

Particulars		Rate of interest %	Year of maturity	No. of bonds/ debentures/ share	Face value	As at 31 March 2019 (₹ in Lakhs)	As at 31 March 2018 (₹ in Lakhs)
Quoted debt securities investments at amortised cost:							
Investment in tax free bonds							
1	Power Finance Corporation Limited	8.20	2022	1,00,000	1,000	1,084	1,084
2	Indian Railway Finance Corporation Limited	8.10	2027	50,000	1,000	534	534
3	National Highway Authority of India Limited	8.30	2027	2,00,000	1,000	2,182	2,182
4	Indian Railway Finance Corporation Limited	7.34	2028	2,50,000	1,000	2,574	2,574
5	National Highway Authority of India Limited	8.50	2029	80,000	1,000	800	800
6	National Housing Bank	8.63	2029	7,220	5,000	361	361
7	Rural Electrification Corporation	8.63	2029	50,000	1,000	500	500
8	National Housing Bank	8.68	2029	40,000	5,000	2,053	2,053
9	National Thermal Power Corporation Limited	7.37	2035	6,246	1,000	62	62
10	Rural Electrification Corporation	7.21	2022	130	10,00,000	1,329	1,329
11	National Thermal Power Corporation Limited	7.15	2025	90	10,00,000	912	912
12	National Housing Bank	8.46	2028	40	10,00,000	443	443
13	Power Finance Corporation Limited	8.46	2028	150	10,00,000	1,672	1,672
14	Rural Electrification Corporation	8.46	2028	250	10,00,000	2,894	552
15	National Bank for Agriculture and Rural Devlopment	7.35	2031	1,50,000	1,000	1,578	1,578
16	National Hydroelectric Power Corporation Limited	8.67	2033	50,000	1,000	634	634
17	National Bank for Agriculture and Rural Devlopment	7.35	2031	1,00,000	1,000	1,117	1,117
18	Indian Renewable Energy Development Agency Limited	7.17	2025	270	10,00,000	2,877	2,877
19	National Highway Authority of India Limited	7.35	2031	1,00,000	1,000	1,125	1,125
20	National Highway Authority of India Limited	7.39	2031	50,000	1,000	556	556
21	Indian Railway Finance Corporation Limited	7.35	2031	1,50,000	1,000	1,663	1,663
22	National Bank for Agriculture and Rural Devlopment	7.35	2031	2,00,000	1,000	2,221	-
23	National Housing Bank	8.76	2034	20,000	5,000	1,241	-
24	National Housing Bank	8.68	2029	10,000	5,000	591	-
25	Power Finance Corporation Limited	7.21	2022	150	10,00,000	1,538	-

3 Non-current investments

Currency : (₹ in Lakhs)

	Particulars	Rate of interest %	Year of maturity	No. of bonds/ debentures/ share	Face value	As at 31 March 2019 (₹ in Lakhs)	As at 31 March 2018 (₹ in Lakhs)
Investment in non convertible debentures							
26	Rural Electrifiction Corporation	8.72	2017	2	10,00,000	-	19
27	TATA Capital Limited	9.95	2017	2	10,00,000	-	10
28	Rural Electrifiction Corporation	8.65	2017	2	10,00,000	-	19
29	Housing Devlopment and Finance Corpoaration Limited	8.79	2020	2	10,00,000	20	20
30	Power Finance Corporation Limited	9.36	2021	2	10,00,000	20	20
31	Housing Devlopment and Finance Corpoaration Limited	9.40	2021	4	10,00,000	40	40
32	EXIM Bank Limited	9.25	2022	2	10,00,000	20	20
33	Rural Electrification Corporation	9.35	2022	4	10,00,000	40	40
34	Infrastructure Leasing & Finance Services Limited	9.55	2023	550	1,000	6	6
35	HDB Financial Services Limited	9.60	2023	2	10,00,000	20	20
36	HDB Finanacial Services Limited	10.19	2024	1	10,00,000	10	10
37	IDFC First Bank Limited	8.80	2025	10	10,00,000	100	100
38	Indian Railway Finance Corporation Limited	9.09	2026	2	10,00,000	20	20
39	State Bank of India	9.95	2026	296	10,000	31	31
40	Power Finance Corporation Limited	8.94	2028	4	10,00,000	41	41
41	Indian Railway Finance Corporation Limited	8.79	2030	1	10,00,000	10	10
42	India Infrastructure Finance Company Limited	9.41	2037	5	10,00,000	56	56
						32,975	**25,090**
	Less : Amortisation of premium					359	213
	Less : Provision for impairment of assets					6	-
						32,610	**24,877**
Aggregate book value of quoted investments						32,976	25,090
Aggregate market value of quoted investments						33,362	26,211

4. Other financial assets
(Unsecured considered good)

Currency : (₹ in Lakhs)

Particulars	Non-current		Current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**	31.03.2018 (₹ in Lakhs)
Others				
Security deposit	**1,248**	870	**2**	427
Interest accrued on investments	**-**	-	**923**	764
Less: Provision for impairment of assets	**-**	-	**(1)**	-
Interest accrued on bank deposits	**6**	58	**81**	47
Restricted deposits with banks against performance guarantee	**966**	440	**-**	326
Unbilled revenue	**304**	320	**816**	1,544
Deferred Revenue	**410**	-	**248**	-
Total	**2,934**	1,688	**2,069**	3,108

5 Income taxes

(A) The major components of income tax expense for the years ended 31st March 2019 and 31st March 2018 are:

<u>Profit or loss section</u>

Particulars	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Current taxes	**5,737**	6,223
Deferred taxes	**(3)**	(100)
Income tax expense reported in the statement of profit or loss	**5,734**	6,123

<u>OCI section</u>

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

Particulars	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Re-measurement of the defined benefit liability / asset	**(5)**	-
	(5)	-

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

Currency : (₹ in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit before income taxes	**18,164**	19,671
Enacted tax rates in India	**34.944%**	34.608%
Computed expected tax expenses	**6,347**	6,807
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Depreciation	**-**	-
Income exempt from tax	**(780)**	(645)
Donation	**56**	53
Disallowance u/s 14A	**113**	89
Provision for employees long term incentive plan	**6**	(49)
Others	**12**	(133)
Total income tax expens	**5,754**	6,123

The applicable Indian statutory tax rate for FY 2017-18 is 34.608% and FY 2018-19 is 34.944%.

(C) The movement in the current income tax asset/ (liability) for the year ended March 31, 2019 and year ended March 31, 2018 as follows:

Particulars	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Net current income tax asset/ (liability) at the beginning	**1,150**	939
Income tax paid	**(5,911)**	(6,434)
Current income tax expense	**(5,737)**	(6,223)
Income tax on other comprehensive income		
Net current income tax asset/ (liability) at the end	**1,324**	1,150

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

Currency : (₹ in Lakhs)

Particulars	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Deferred income tax assets		
Provision for compensated absences	375	340
Diminution in value of non-current investments	-	-
Provision for doubtful debts	42	41
Deferred revenue expenditure	43	72
Other	102	87
Total deferred income tax assets	**562**	**540**
Deferred income tax liabilities		
Difference between tax balance and book balance of fixed assets	322	226
Amortisation of Revenue	111	188
Total deferred income tax liabilities	**433**	**414**
Deferred income tax Assets after set off	**129**	**126**

(E) The gross movement in the deferred income tax account for the year ended March 31, 2019 and year ended March 31, 2018, is as follows:

Particulars	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Net deferred income tax assets at the beginning	**126**	26
Add:		
Provision for compensated absences	**35**	303
Amortisation of non-current investments	**-**	(24)
Other	**15**	14
Provision for Doubtful Debts	**1**	41
Amortisation of assets	**(29)**	72
Less:		
Difference between tax balance and book balance of fixed assets	**96**	118
Amortisation of revenue	**(77)**	188
Net deferred income tax assets at the end	**129**	126

6 Deferred tax assets (net)

Currency : (₹ in Lakhs)

Particulars	Non-current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Related to other items	**83**	126
Net deferred tax assets	**83**	126

7 Other assets

	Particulars	Non-current		Current	
		31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**	31.03.2018 (₹ in Lakhs)
(A)	**Capital advances**	**172**	35		-
(B)	**Advances to related parties**	**-**	-	**-**	-
(C)	**Other advances**				
	Prepaid expenses	**283**	341	**1,104**	1,306
	Loans to employees	**2**	6	**3**	1
	GST credit receivable	**-**	-	**1,092**	842
	Advance to suppliers	**-**	-	**369**	261
	Others	**-**	-	**21**	44
		457	382	**2,589**	2,454

8. Current investments

Currency : (₹ in Lakhs)

Particulars		Year of maturity	Rate of interest	As at 31 March 2019			As at 31 March 2018		
				No. of units	Face value	(₹ in Lakhs)	No. of units	Face value	(₹in Lakhs)
Non convertible debentures									
1	Rural Electrification Corporation	2019	8.72	2	10,00,000	19	2	10,00,000	-
2	TATA Capital Financial Services Limited	2019	9.95	2	10,00,000	10	2	10,00,000	-
3	Rural Electrification Corporation	2020	8.65	2	10,00,000	19	2	10,00,000	-
4	Rural Electrification Corporation	2019	8.65	-	-		7	10,00,000	70
5	Power Finance Corporation Limited	2018	11.25	-	-	-	1	10,00,000	12
6	IDBI Bank Limited	2018	11.30	-	-	-	2	10,00,000	23
Liquid mutual funds									
1	Units of Axis Treasury Advantage Fund - Institutional Daily Dividend Reinvestment			56,055	1,007	565	53,159	1,000	535
2	Units of Axis Liquid Fund - Institutional Daily Dividend Reinvestment			50,474	1,001	505	52,983	1,000	530
3	Units of Principal Cash Management Fund-Dividend Reinvestment Daily			53,279	952	507	53,290	1,000	534
4	Units of UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option)						53,396	1,000	535
5	Units of UTI Liquid Cash Plan Fund - Institutional Plan (Daily Dividend Option)			49,553	1,019	505	51,932	1,000	529
6	Aditya Birla Sun Life Liquid Fund-Daily Dividend - Direct Plan			5,00,355	100	502	521,320	100	522
7	LIC MF Income Plus Fund- Daily Dividend Reinvestment			-	-	-	5,189,567	10	527
8	LIC MF Liquid Fund- Daily Dividend Reinvestment			46,009	1,098	505			
9	ICICI Prudential Liquid Plan- Daily Dividend Reinvestment			5,00,815	100	502			
10	IDFC Cash Fund- Daily Dividend Reinvestment			50,048	1,002	502			
11	Canara Robeco Liquid Fund- Direct Daily Dividend Reinvestment			49,872	1,006	501	-	-	-
	Total					**4,642**			**3,817**

9 Trade receivables

Currency : (₹ in Lakhs)

Particulars	Current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Unsecured, considered good unless stated otherwise		
Secured, considered good	-	-
Unsecured, considered good	18,188	16,510
Credit Impaired	-	-
Doubtful	119	119
	18,307	16,629
Less: Provision for doubtful debts	**(119)**	**(119)**
	18,188	16,510
Total	**18,188**	16,510

10 Cash and cash equivalents

Particulars	Current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Cash and cash equivalents		
Balances with banks in current accounts	**3,938**	4,643
Cash on hand	**1**	1
	3,939	4,644

11 Other bank balances

Particulars	Current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Bank deposits with original maturity for more than 3 months but less than 12 months	**1,610**	561
Total	**1,610**	561

12 Equity share capital

Particulars	Non-current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Authorised		
50,00,00,000 (Previous Year 50,00,00,000) equity shares of Rs 10 each.	**50,000**	50,000
Issued, Subscribed and Paid-up		
4,00,05,300 (Previous year 4,00,00,000) equity shares of Rs.10 each fully paid up.	**4,001**	4,000
Total	**4,001**	4,000

a) Reconciliation of number of shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount (₹ in Lakhs)	Number of shares	Amount (₹ in Lakhs)
Equity shares				
Opening balance	**4,00,00,000**	**4,000**	4,00,00,000	4,000
Changed during the year	**5,300**	**1**	-	-
Closing balance	**4,00,05,300**	**4,001**	4,00,00,000	4,000

b) Rights, preferences and restrictions attached to shares

The company has only one class of equity shares having a par value of ₹ 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, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at 31.03.2019		As at 31.03.2018	
	Numbers of shares held	% of holding	Numbers of shares held	% of holding
NSE Investments Ltd	**1,00,18,000**	**25.05**	1,00,18,000	25.05
IIFL Special Opportunities Fund	**28,94,507**	**7.24**	34,40,334	8.60
Administrator of Specified Undertaking of Unit Trust of India	**27,32,000**	**6.83**	27,32,000	6.83
IIFL Special Opportunities Fund – Series 4	**24,99,178**	**6.25**	24,99,178	6.25
IIFL Special Opportunities Fund – Series 2	**20,16,366**	**5.04**	22,07,809	5.52

d) Information on equity shares alloted without receipt of cash or alloted as bonus shares or shares bought back

The Company has neither alloted equity shares wthout receipt of cash or as bonus shares nor bought back any equity shares during preceeding five financial years

13 Other equity

		31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
a)	**Capital redemption reserve**		
	(i) Opening balance	**2,500**	2,500
	(ii) Transfer from retained earnings	**-**	-
		2,500	2,500
b)	**General reserve**		
	(i) Opening balance	**29,843**	20,843
	(ii) Transfer from retained earnings	**10,000**	9,000
		39,843	29,843
c)	**Retained earnings**		
	(i) Opening balance	**21,033**	19,615
	(ii) Adjustment on initial application of IndAS 115, net of tax (refer note 37)	**86**	-
	(iii) Transfer to general reserve	**(10,000)**	(9,000)
	(iv) Dividend (including tax on dividend)	**(3,134)**	(3,129)
	(v) Profit for the year	**12,430**	13,547
		20,415	21,033
d)	**Non controlling interest of minority shareholders in subsidairy**		
	(i) Opening balance	**(4)**	-
	(ii) Non controlling interest of minority shareholders in subsidairy	**(7)**	(4)
		(11)	(4)
e)	**Other comprehensive income**		
	(i) Opening balance	**(490)**	(414)
	(ii) Re-measurement of the defined benefit net liability / asset	**(14)**	(76)
		(504)	(490)
f)	**ESOP reserve**		
	(i) Opening balance	**97**	-
	(ii) Employee stock appreciation rights	**250**	97
		347	97
g)	**Securities premium**		
	(i) Opening balance	**-**	-
	(ii) Employee stock appreciation rights	**16**	-
		16	-
		62,606	52,979

14 Provision

Particulars	Non-current		Current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**	31.03.2018 (₹ in Lakhs)
Provision for employee benefits				
Medical benefits	**-**	-	**-**	40
Provision for leave travel allowance	**-**	-	**48**	20
Provision for employee Incentives	**171**	155	**940**	867
Gratuity payable	**-**	-	**280**	333
Provision for leave encashment	**-**	-	**1,072**	981
Total	**171**	155	**2,340**	2,241

15 Other financial liabilities

Particulars	Non-current		Current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**	31.03.2018 (₹ in Lakhs)
Liability for expenses	**-**	-	**3**	7
Creditors for capital expenditure	**-**	-	**130**	911
Directors' commission payable	**-**	-	**112**	122
Other liabilities	**-**	-	**316**	237
Deferred expenses	**328**	-	**198**	-
Total	**328**	-	**759**	1,277

16 Trade payables

Particulars		Current	
		31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Trade payables			
	Dues of micro enterprises and small enterprises	**508**	508
	Dues of creditors other than micro enterprises and small enterprises	**8,486**	6,881
		8,994	7,389

17 Other current liabilities

Particulars	Non-current		Current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**	31.03.2018 (₹ in Lakhs)
Advances from customers	**-**	-	**853**	825
Indirect tax payable and other statutory liabilities	**-**	-	**1,491**	960
Income received in advance	**-**	-	**2,917**	3,719
Total	**-**	-	**5,261**	5,504

18 Revenue from operations

Particulars	**31.03.2019 (₹ in Lakhs)**	31.03.2018 (₹ in Lakhs)
Sale of services :		
Transaction fees	**63,054**	79,615
Other operational income	**731**	505
Accounts maintenance fees	**11,740**	9,638
Other operating revenues		
Recovery againts bad debts	**100**	-
Total	**75,625**	89,758

Information about major customers:
No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2019 and March 31, 2018.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes incurrency rates, tax laws etc).

Changes in contract assets are as follows:

	31 March 2019 (₹ in Lakhs)
Balance at the beginning of the year	1,864
Revenue recognised during the year	649
Invoice raised during the year	1,393
Balance at the end of the year	1,120

The table below discloses the movement in contract liabilities during the year ended March 31 2019

Balance at the beginning of the year	3,719
Add: Invoices Raised for which no revenue is recognised during the year	2,917
Less: Revenue recognised that was included in the contract liabilities at the begining of the year	3,719
Balance at the end of the year	2,917

Accounts receivable are recorded when the right to consideration becomes unconditional.
Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced.
Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	**31 March 2019 (₹ in Lakhs)**
Revenue from contracts with customers (as per Statement of Profit and Loss)	75,625
Add: Discounts, rebates, refunds, credits, price concessions	-
Less / Add: Deferred and unbilled revenue adjustments	1,120
Add: Allocation of transaction price from bundled contracts	-
Contracted price with the customers	**74,505**

Practical expedients used

In accordance with the practical expedient in Para 63 of Ind AS 115, the Company has not adjusted the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

19 Other income

Particulars	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Interest income		
On investment		
-- Current	-	42
-- Long term	**2,117**	1,610
On bank deposits	**190**	241
On overdue trade receivables	**358**	289
On others	**86**	60
Dividend income		
-- Current	**116**	210
Support charges	**80**	58
Rent income	**513**	143
Excess provision written back	-	51
Miscellaneous income	**20**	10
Total	**3,480**	2,714

20 Employee benefits expenses

Particulars	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Salaries, wages and bonus	**5,611**	5,204
Contribution to provident and other fund (refer Note 23)	**643**	595
Staff welfare expenses	**264**	285
Total	**6,518**	6,084

21 Other expenses

Particulars	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Rent	**1,590**	960
Communication expenses	**800**	567
Travelling and conveyance expenses	**659**	667
Annual fees	**743**	639
Processing charges	**41,072**	54,039
Repairs and maintenance		
- To buildings	**327**	274
- To computers, trading and telecommunication systems	**5,084**	5,345
- To others	**114**	126
Insurance	**153**	68
Rates and taxes	**122**	185
Advertisement and publicity	**135**	527
Legal and professional fees	**342**	336
Printing and stationery expenses	**29**	31
Payment to auditor (refer note below)	**38**	20
Electricity charges / power fuel	**437**	477
Directors' sitting fees	**37**	41
Directors' commission	**124**	136
Bad debts written off	**-**	512
Excess provision written back	**1**	-
Loss on sale /discard of assets (net)	**12**	2
Loss on sale of investment	**5**	-
Expenditure incurred on CSR activities (refer note 31)	**322**	303
Other expenses	**270**	368
Total	**52,416**	65,623
Note :		
Payment to auditor		
As auditor:		
Audit fees	**24**	17
Tax audit fee	**4**	3
In other capacity:		
Certification matters	**10**	-
Other services	**-**	-
Total	**38**	20

22 Earnings Per Share

In accordance with Indian Accounting Standard 33 - "Earning per Share" notified under Rule 7 of the Companies (Accounts) Rules, 2014.

Currency : (₹ in Lakhs)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
Net profit attributable to shareholders			
(a)	Profit before exceptional item and tax	**18,164**	19,671
	Tax on above	**5,734**	6,123
	Profit after tax and before exceptional item (A)	**12,430**	13,548
Weighted average number of equity shares issued (No. in lakhs)		**400**	400
Basic earnings per share of ₹ 10/- each (in ₹)		**31.08**	33.87
Weighted average number of equity shares issued (No. in lakhs)		**401**	400
Diluted earnings per share of ₹ 10/- each (in ₹)		**31.00**	33.87

23 Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefits

i) Defined contribution plan:

(a) Company's contribution towards superannuation amounting to ₹ 154 Lakhs (Previous Year : ₹ 151 lakhs).

(b) Provident fund: Eligible employees of the Company receive benefit under the provident fund which is a defined contribution plan where in both the employee and the Company make monthly contributions equal to a specified percentage of the covered employees' salary. These contributions are made to the fund administered and managed by the Government of India. The Company's monthly contributions are charged to the statement of profit and loss in the period they are incurred. The total charge for the year amounts to ₹ 215 Lakhs (31 March 2018 - ₹ 192 Lakhs).

ii) Defined benefit plan:

(a) Gratuity: Company has charged the gratuity expense to statement of profit & loss based on the actuarial valuation of gratuity liability at the end of the year. The projected unit credit method used to show the position is as under.

(i) Assumptions:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Discount rate	**7.76%**	7.73%
Rate of return on plan assets	**7.76%**	7.73%
Salary escalation	**8.00%**	8.00%
Attrition rate	**5.00%**	5.00%

(ii) Sensitivity analysis

Currency : (₹ in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Projected benefit obligation on current assumptions	**3,580**	3,067
Delta effect of +1% change in rate of discounting	**(260)**	(295)
Delta effect of -1% change in rate of discounting	**303**	353
Delta effect of +1% change in rate of salary increase	**299**	349
Delta effect of -1% change in rate of salary increase	**(261)**	(297)
Delta effect of +1% change in rate of employee turnover	**(9)**	(7)
Delta effect of -1% change in rate of employee turnover	**10**	8

(iii) Table showing change in benefit obligation:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Liability at the beginning of the year	**3,070**	2,605
Interest cost	**238**	199
Current service cost	**244**	225
Benefits paid	**(26)**	(44)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	**(8)**	(69)
Actuarial (gains)/losses on obligations - due to experience	**50**	154
Liability at the end of the period/year	**3,567**	3,070

(iv) Table showing 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	**2,737**	2,192
Interest income	**212**	168
Expected return on plan assets	**-**	-
Contributions	**333**	412
Benefits paid	**(26)**	(44)
Actuarial gain / (loss) on plan assets	**27**	9
Fair value of plan assets at the end of the period/year	**3,283**	2,737

(v) Amount recognised in the Balance Sheet

Currency : (₹ in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Fair value of plan assets as at the end of the period/year	**3,283**	2,737
Liability as at the end of the year	**3,567**	3,070
Net (liability) / asset disclosed in the Balance Sheet	**(284)**	(333)

(vi) Net interest cost for current period/year

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest cost	**238**	199
Interest income	**(212)**	(168)
Net interest cost for current period/year	**26**	31

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

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Current service cost	**244**	225
Net interest cost	**26**	31
Expenses recognised in the Statement of Profit & Loss	**270**	257

(viii) Expenses recognised in the other comprehensive income

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Expected return on plan assets	**(27)**	(9)
Actuarial (gain) or loss	**41**	85
Net (income)/expense for the period/year recognized in OCI	**14**	76

(ix) Balance sheet reconciliation

Currency : (₹ in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Opening net liability	**333**	413
Expenses recognized in statement of profit or loss	**270**	257
Expenses recognized in OCI	**14**	76
Employers contribution	**(333)**	(412)
Amount recognised in the balance sheet	**284**	333

(x) Category of assets

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Insurer managed funds	**3,283**	2,737
Total	**3,283**	2,737

(xi) Expected contribution for next year

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Expected contribution for next year	**293**	348
Total	**293**	348

24 Financial instruments

24.1 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

Currency : (₹ in Lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (refer note 10)	4,644	-	-	-	-	4,644	4,644
Tax free bonds (refer note 3)	24,398	-	-	-	-	24,398	24,398
Liquid mutual fund units (refer note 8)	-	-	3,712	-	-	3,712	3,712
Non convertible debentures (refer note 3 & 8)	584	-	-	-	-	584	584
Trade receivables (refer note 9)	16,510	-	-	-	-	16,510	16,510
Other financial assets (refer Note 4)	5,357	-	-	-	-	5,357	5,357
Total	**51,493**	**-**	**3,712**	**-**	**-**	**55,205**	**55,205**
Liabilities:							
Trade payables (refer note 16)	7,389	-	-	-	-	7,389	7,389
Other financial liabilities (refer note 15)	1,277	-	-	-	-	1,277	1,277
Total	**8,666**	**-**	**-**	**-**	**-**	**8,666**	**8,666**

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

Currency : (₹ in Lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (refer note 10)	3,939	-	-	-	-	3,939	3,939
Tax free bonds (refer note 3)	32,176	-	-	-	-	32,176	32,176
Liquid mutual fund units (refer note 8)	-	-	4,594	-	-	4,594	4,594
Non convertible debentures (refer note 3 & 8)	482	-	-	-	-	482	482
Trade receivables (refer note 9)	18,188	-	-	-	-	18,188	18,188
Other financial assets (refer note 4)	5,003	-	-	-	-	5,003	5,003
Total	**59,788**	**-**	**4,594**	**-**	**-**	**64,382**	**64,382**
Liabilities:							
Trade payables (refer note 16)	8,994	-	-	-	-	8,994	8,994
Other financial liabilities (refer note 15)	759	-	-	-	-	759	759
Total	**9,753**	**-**	**-**	**-**	**-**	**9,753**	**9,753**

24.2 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	As of March 31, 2018	Fair value measurement at end of the reporting year		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (refer note 8)		3,712	-	-
Investments in tax free and Government bonds (refer note 3 and 8)		-	24,398	-
Investments in non convertible debentures (refer note 8)		584		-

Particulars	As of March 31, 2019	Fair value measurement at end of the reporting year		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (refer note 8)		4,594	-	-
Investments in tax free and Government bonds (refer note 3 and 8)		-	32,176	-
Investments in non convertible debentures (refer note 8)		482		-

The fair value of liquid mutual funds is based on quoted price. The fair value of tax free bonds and government bonds is based on quoted prices and market observable inputs. The fair value is of non-convertible debentures is based on quoted prices.

24.3 Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 17,273 lakhs, ₹ 16,510 lakhs and ₹ 18,188 lakhs as of March 31, 2017, March 31, 2018 and March 31, 2019, respectively. Trade receivables is typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Credit risk has always been managed by the Company by continuously monitering credit worthiness of customers to which the Company grants credit terms in the normal course of business

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	March 31, 2019	March 31, 2018
Revenue from top customer	4	19
Revenue from top five customers	9	60

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 2018 was ₹ 119 lakhs.

Particulars	March 31, 2019	March 31, 2018
Balance at the beginning	119	-
Amounts written off	-	-
Net remeasurment of loss allowance	-	119
Balance at the end	**119**	**119**

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted bonds issued by government and quasi government organizations, non convertible debentures issued by government aided institutions and certificates of deposit which are funds deposited at a bank for a specified time period.

Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The companies working capital including cash and cash equivalents and investment are as follows :

Particulars	March 31, 2019	March 31, 2018
Current assets	**33,037**	31,094
Current liability	**17,354**	16,411
Working capital	**15,683**	14,683
Cash and cash equivalents	**5,549**	5,205
Investments	**4,642**	3,817

As of March 31, 2018 and March 31, 2019, the outstanding employee benefit obligations were Rs. 333 lakhs and Rs. 284 lacs (refer note no 13) respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables (refer note 16)	8994	-	-	-	8994
Other financial liabilities (refer note 15)	759	-	-	-	759

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables (refer note 16)	7389	-	-	-	7389
Other financial liabilities (refer note 15)	1,277	-	-	-	1,277

25 In accordance with Indian Accounting Standard 17 - "Leases" notified under the Rule 7 of the Companies (Accounts) Rules, 2014, the details of obligation on long term non - cancellable operating lease in respect of certain vehicles and office premises taken by the Company are as follows.

Currency : (₹ in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Lease obligations		
Total of future minimum lease payments		
- Not later than one year	**473**	518
- Later than one year and not later than five years	**171**	580
- Later than five years	**-**	-

There is no income from sub-leases recognised in the statement of profit and loss for the year ended March 31, 2019 and March 31, 2018.

26 The Company's business is to provide IT enabled e-Governance services to its clients in India. All other activities of the Company revolve around the main business. As such, there are no reportable segments as per the Ind AS 108 –'Operating Segment'.

27 Related Party Transactions

In compliance with Indian Accounting Standard 24 - "Related Party Disclosures" notified under the Rule 7 of the Companies (Accounts) Rules, 2014, the required disclosures are given in the table below:

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

Related party
a. Company having substantial interest
IDBI Bank Ltd (till February 16, 2018)
IIFL Special Opportunities Fund (from February 16, 2018)
NSE Investments Limited (erstwhile NSE stategic investment Corporation Limited) (from October 1, 2013)

b. Key Managerial Personnel
Mr. Gagan Rai- Managing Director & CEO
Mr. Jayesh Sule - WTD & COO
Mr. Tejas Desai - CFO
Mr. Pankaj Srivastava - Company Secretary (upto August 18, 2017)
Mr.Maulesh Kantharia - Company Secretary (from September 20, 2017)

c. Foreign subsidiary
NSDL e-Governance(Malaysia) SDN BHD

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

Currency : (₹ in Lakhs)

Nature of transactions	For the year ended	KMP of the Company and KMP of parent Company	Foreign subsidary	Company having substantial interest
Dividend paid	March 31, 2019	-	-	1431
	March 31, 2018	-	-	1431
Other Income	March 31, 2019	-	-	-
	March 31, 2018	-	-	67
Revenue	March 31, 2019	-	-	-
	March 31, 2018	-	-	15
Remuneration paid	March 31, 2019	829	-	-
	March 31, 2018	753	-	-

The above remuneration excludes gratuity, leave encashment and other benefits for which separate acturial valuation is not available.

28 Minority interest

Percentage of holding	%
NSDL e-Governance Infrastucture Limited	51
Minority	49
Total	100

Share capital of NSDL e-GOVERNANCE (MALAYSIA) SDN BHD	Nos.	Value in MYR
NSDL E-Governance Infrastucture Limited	51	510
Minority	49	490
Total	100	1,000

Breakup of reserves & surplus

Reserve and surplus calculation

Currency : (₹ in Lakhs)

	NSDL e-Governance Infrastucture Limited	Minority
Opening	(3.89)	(3.74)
Adjustment on account of capital reduction		
Profit / (loss) during the year	(7.37)	(7.09)
Total reserves and surplus	(11.27)	(10.83)

29 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹1896 lakhs (previous year ₹1420 lakhs).

30 Contingent liability:

(i) Claims against the Company not acknowledged as debts: ₹ 99 lakhs (Previous Year : ₹ 99 lakhs) (net) #

(ii) On account of disputed demand raised by Sales tax officer for MVAT and CST: ₹2,260 lakhs (Previous Year: ₹2,260 lakhs) @

(iii) **Supreme Court ruling on contibution to provident fund:**

The Hon' 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 February 28, 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.

In view of the management, the liability for the period from date of the SC order to March 31, 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements.

MVAT payable to seller on purchase of Times Tower premises

@ Demand raised by sales tax officer for MVAT and CST payable on services provided by company. The Company has filed appeal with - Maharashtra Sales Tax Tribunal.

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

Under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, which came into force from October 2, 2006 and on the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small enterprises:

Currency : (₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-- Principal	**508**	508
-- Interest		
Amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	**-**	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	**-**	-

32 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.

33 Employee stock option plan

The shareholders of the Company had approved NSDL Employees Stock Option Plan, 2017 on December 4, 2017. As per ESOP 396, 192 NOs Stock Options granted on December 4, 2017 to Managing Director and other specified categories of employees of the Company. The options are to be granted at exercise price per option of ₹ 310/- ., upon vesting, shall entitle the holder to acquire 1 equity share of ₹ 10 as face value, with an exercise period of 3 years from the date of vesting.

Grant date	Exercise price	Options granted	Options vested and exer-cisable	Options unvested	Options exer-cised	Options can-celled	Options out-standing
December 4, 2017	310.00	3,96,192	1,03, 387	2,82, 470	5,300	5,035	3,85,857
Total		**3,96,192**	**1,03, 387**	**2,82, 470**	**5,300**	**5,035**	**3,85,857**

Movement of stock options during the year

Particulars	For the year ended 31 March 2019				For the year ended 31 March 2018			
	No. of options	Range of exercise prices Rs.	Weighted average exercise price Rs.	Weighted average remaining contractual life (Years)	No. of options	Range of exercise prices Rs.	Weighted average exercise price Rs.	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	3,96,192	-	-	6.03	-	-	-	-
Granted during the year	-	-	-	-	3,96,192	-	-	6.03
Adjusted for corporate action of bonus and split	-	-	-	-	-	-	-	-
Forfeited during the year	5,035	310	310	-	-	-	-	-
Expired during the year	-	-	-	-	-	-	-	-
Exercised during the year	5,300	310	310	4.03	-	-	-	-
Outstanding at the end of the year	3,85,857	310	310	4.03	3,96,192	-	-	6.03
Exercisable at the end of the year	1,03,387	310	310	2.68	-	-	-	-

Significant assumptions used to estimate the fair value of options:

Variables	
1. Risk Free Interest Rate	6.77%
2. Expected Life	3.83
3. Expected Volatility	60.18%
4. Dividend Yield	2.10%
5. Price of the underlying share in market at the time of the option grant (Rs.)	310.00

The stock-based compensation cost calculated as per the intrinsic value method for the period April 1, 2018 to March 31, 2019 is NIL. If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognised in the total cost to be recognised in the financial statements for the period April 1, 2018 to March 31, 2019 is ₹ 2,50,07,722/-. The effect of adopting the fair value method on the net income and earnings per share is presented below:

Adjusted net income and earning per share

Particulars	For the year ended 31 March 2019 (₹ in Lakhs)	For the year ended 31 March 2018 (₹ in Lakhs)
Net Income as reported	**12,430**	13,548
Earning Per Share: Basic		
As Reported	**31.08**	33.87
Adjusted Pro Forma	**31.70**	34.11
Earning Per Share: Diluted		
As Reported	**30.99**	33.87
Adjusted Pro Forma	**31.61**	34.11

34 As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount spent by the Company on Corporate Social Responsibility activities during the financial year 2018-19 is ₹ 322 lakhs (Previous year : ₹ 303 lakhs)

b) Amount spent during the year:

Particulars	Amount paid	Yet to be paid	Total
Construction / acquisition of any asset	-	-	-
On above purpose	322	112	322

35 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its funds in a manner that it achieve maximum returns (net of taxes) with minimum risk to the capital and consider the liquidity concerns for its working capital requirements.

To meet the above objectives, the Company invests it funds in bank fixed deposits receipts (FDRs) and the tax free bonds, mutual funds as per the Company's investment policy.

Since the Company has no loan and borrowings, the disclosure requirement related to capital management defined in clause 135 (a) (ii), and (b) to (e) to the Ind AS 1 "Presentation of Financial Statements" are not applicable to the Company.

36 For the year ended March 31, 2019, 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.

37 CHANGE DUE TO TRANSITION TO IND AS - 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

The Company has applied Ind AS 115, Revenue from Contracts with Customers with effect from April 1, 2018. The application of Ind AS 115 has resulted in changes in accounting policies and adjustment to the amounts recognised in the financial statements. The Company has adopted Ind AS 115 retrospectively with the cumulative effect of initial application recognized in the opening retained earnings on April 1, 2018. Pursuant to the adoption of Ind AS 115, the Company has identified two separate performance obligation in scanning and storage contract and has determined the separate transaction price for the storage services. Pursuant to the Ind AS 115 adoption, as at April 1, 2018, retained earnings are lower by ₹ 132 lakhs which comprises of increase in deferred revenue aggregating ₹ 658 lakhs which is offset by an increase in deferred expenses aggregating ₹ 526 lakhs and impact on deferred tax assets (net) by ₹ 46 lakhs.

38 Subsequent events

Dividends declared by the Company are based on the profit available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable dividend distribution tax. On June 5, 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 6.5 per share in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 3134 lakhs, inclusive of corporate dividend tax of ₹ 534 lakhs.

39 Previous year figures are regrouped, reclassified and rearranged wherever necessary.

As per our report of even date attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: **116231W/W-100024**

For and on behalf of the Board of Directors of
NSDL e-Governance Infrastructure Limited
(CIN: U72900MH1995PLC095642)

Sd/-
N Sampath Ganesh
Partner
Membership No: 042554

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Gagan Rai
Managing Director and CEO
DIN-00059632

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place : **Chennai**
Date : June 5, 2019

Place : **Mumbai**
Date : June 5, 2019

Form AOC-I

ANNEXURE

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A " : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

1. Sl. No. : 1217834-M
2. Name of the subsidiary : NSDL e-Governance (Malaysia) Sdn. Bhd.
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period*: 31st March 2019
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.*: As on 1st April 2018: MYR @ INR 100 to MYR 16.99; as on 31st March 2019: MYR @ INR 100 to MYR 16.79 and Average Rate: MYR @ INR 100 to MYR 16.89
5. Share capital* : MYR1,000/Rs. 16,990
6. Reserves & surplus* : MYR-1,31,343/Rs. – 22,23,561
7. Total assets* : MYR1,22,476/Rs. -20,80,867
8. Total Liabilities* : MYR252,819/Rs. 42,74,791
9. Investments* : NIL
10. Turnover* : NIL
11. Profit before taxation* : MYR-79,561/Rs. – 13,43,785
12. Provision for taxation* : NIL
13. Profit after taxation* : MYR-79,561/ Rs. – 13,43,785
14. Proposed Dividend* : NIL
15. % of shareholding* : 51%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: NSDL e-Governance (Malaysia) Sdn. Bhd.
2. Names of subsidiaries which have been liquidated or sold during the year: -

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Name of Associates/Joint Ventures	NSDL e-Governance (Malaysia) Sdn. Bhd.
1. Latest audited Balance Sheet Date	N.A.
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	N.A.
Amount of Investment in Associates/Joint Venture	N.A.
Extend of Holding %	N.A.
3. Description of how there is significant influence	N.A.
4. Reason why the associate/joint venture is not consolidated	N.A.
6. Networth attributable to Shareholding as per latest audited Balance Sheet	N.A.
7. Profit / Loss for the year	
i. Considered in Consolidation	N.A.
wi. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations :
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Gagan Rai
Managing Director and CEO
DIN-00059632

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : **Mumbai**
Date : June 5th, 2019

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Form AOC-II

[Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis: NIL**
   (a) Name(s) of the related party and nature of relationship
   (b) Nature of contracts/arrangements/transactions
   (c) Duration of the contracts / arrangements/transactions
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any
   (e) Justification for entering into such contracts or arrangements or transactions
   (f) date(s) of approval by the Board
   (g) Amount paid as advances, if any:
   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. **Details of material contracts or arrangement or transactions at arm's length basis**
   (a) Name(s) of the related party and nature of relationship :

   Name: NSDL e-Governance (Malaysia) SDN. BHD.
   Relationship: Subsidiary (51% Holding)

(b) Nature of contracts/arrangements/transactions
(c) Duration of the contracts / arrangements/transactions
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:
(e) Date(s) of approval by the Board, if any:
(f) Amount paid as advances till 31st March 2019, if any: Rs. 42,20,100/- (Pertaining to advance remitted in FY'18)

Form shall be signed by the persons who have signed the Board's report.

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Gagan Rai
Managing Director and CEO
DIN-00059632

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place : **Mumbai**
Date : June 5th, 2019

NOTES

NOTES

NSDL e-GOVERNANCE INFRASTRUCTURE LIMITED

REGISTERED OFFICE

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Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
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Fax: +91 22 2491 5217

e-mail: cs@nsdl.co.in
website: www.egov-nsdl.co.in

CIN: U72900MH1995PLC095642