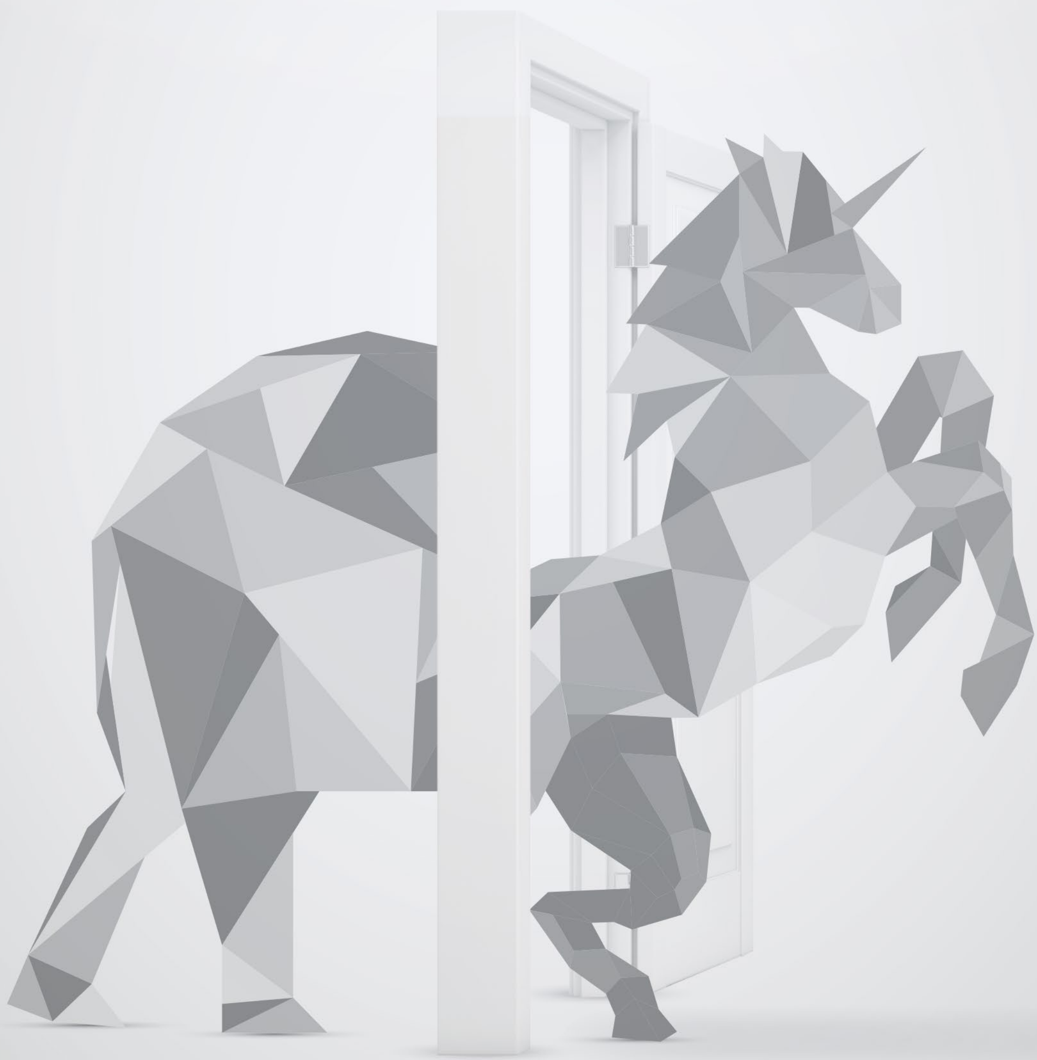
Change Is Growth

27th ANNUAL REPORT
2021-2022



Change Is Growth

Being one of the fastest growing economies in the world, India is undergoing a massive digital transformation to enable every citizen participate fully in its growth story. The transformation is being led by digitization of public services to make its benefits equally accessible to all and foster social and economic inclusion.

Pioneers in providing citizen-centric services at population scale and vested with the responsibility to inform and educate the customers to take advantage of these services, we have ushered a positive change in delivery of public services. Over the years, we have constantly realigned ourselves with the changing market dynamics and evolved in our strengths and capabilities to further ease of living amongst the citizens and be a globally trusted provider of digital technology solutions.

As a step towards this, we changed our name from NSDL e- Governance Infrastructure to Protean eGov Technologies Limited in 2021. The new name positions us as an agile and adaptive organisation, ready to explore and conquer new sectors, new technologies, new business models, and new geographies.

At Protean, *Change Is Growth!*

"**To improve is to change;**
to be perfect is to change often."
- Winston Churchill

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About Us

Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Ltd.) is a leading IT-enabled solution company in India with more than 25 years of experience in providing innovative and population-scale greenfield technology solutions. Incorporated as 'National Securities Depository Limited' in 1995, we evolved to conceptualize, develop and execute critical digital infrastructure projects of national importance and provide citizen-centric e-Governance solutions.

We collaborate with the government to simplify governance at all levels and for all stakeholders. This is enabled through a two-pronged strategy of building enabling technologies coupled with designing and implementing relevant interventions for widespread adoption of these technologies. Serving customers across diverse business segments, in both public and private sectors, our solutions redefine delivery of public services and positively impact many aspects of a citizen's life.

Our operations are supported by customized and diversified service offerings, robust technological infrastructure, extensive PAN-India network and an experienced leadership team.

NSDL e-Gov is now protean Change *is* growth

Embarking on a new journey

In 2021, we embarked on a new journey of transformation and changed our name from NSDL e- Governance Infrastructure to Protean eGov Technologies Limited. A strict scientific process was followed and executed by experienced brand identity experts to arrive at the most suitable name and a visual identity which resonated with our brand's ethos, values and competencies. Over 1600 respondents, internal and external, from diverse sectors, were involved in this process.

The new name 'Protean' aligns with our identity of being a versatile, multifaceted, multi-talented, resourceful, agile and adaptable brand. It vitalizes our growth strategy to foray into new sectors, adopt new technologies, innovate business models, build unconventional products, and expand our footprints.

Key Highlights (As on 31st March, 2022)

27 years	8600+	35+
Industry Experience	Strategic partnerships	crore Consumers

Our Vision

To be a globally trusted provider of impactful digital technology solutions that promote ease of living.

Tax Infrastructure

Social Security and Welfare

Education and Skill Financing

Identity and Data Allied Services including Account Aggregator

Open Digital Market places

Cloud Business

Cyber Security

Our Mission

We deliver scalable digital platforms that are reliable, private and secure.

Innovation

Integrity

Empowerment

Our Core Values

Customer centricity

Agility

Global yet Local

Our Journey of Growth

1996

Establishment of **Depository** System

2004

Tax Infrastructure

Tax Information Network **(TIN)**

PAN Card Issuance

Online Tax Accounting System **(OLTAS)**

2005

Electronic Accounting System in Excise & Service Tax **(EASIEST)**

2007

Online PAN Verification **(OPV)**

2008

Central Record Keeping Agency **(CRA)** for National Pension System **(NPS)**

2011

GST Pilot project

Registrar & ASA for Aadhaar

2013

Launch of India Stack

2014

EzeeWill

National Judicial Reference System **(NJRS)**

2015

Central Record Keeping Agency (CRA) for Atal Pension Yojana (APY)

Vidya Lakshmi

2016

Implementing agency for Central Board of Film Certification **(CBFC)**

Vidyasaarathi

eSign

2017

GST Suvidha Provider **(GSP)** by Goods & Service Tax network **(GSTN)**

2018

Revenue Management System **(RMS)** for Department of Telecommunications **(DoT)**

Data Centre Services (Tier IV class)

Vidya Kaushal

2020

Formation of NSDL **e-Governance Account Aggregator Limited and NSDL e-Governance Australia Pty Ltd.**

2021

Account Aggregator (in-principle approval from RBI)

Cyber Security Advisory Services

Cloud Services

Open Digital Marketplaces (ONDC/ Mobility)

International Business

Our Differentiating Strengths

We are one amongst the very few private players in India providing end-to-end digital solutions in the e-governance space, making us a reliable partner for the Government of India. Besides offering diversified services across multiple sectors, we remain continually focused on assisting the Government in improving the service delivery ecosystem. By doing so, we have made considerable progress in ensuring that the services can be availed with ease and accessed by all. Our extensive PAN-India network of centers furthers our mission to create an inclusive service delivery mechanism and foster digital inclusion.

Pioneer and market leader with 25 years of unparalleled experience in creating universal, citizen centric and population scale e-governance solutions

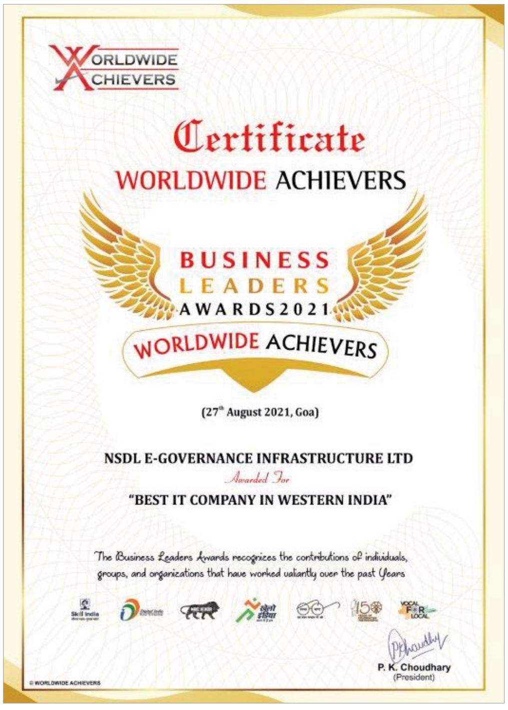
Trusted partner of GOI for implementing large and critical technology infrastructure

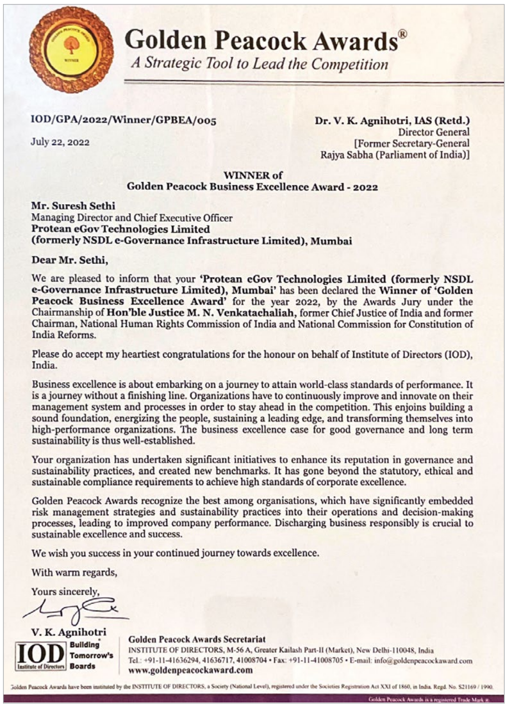
Secure, Scalable and **advanced technology** platforms

Implemented and managed 18 projects spread across 7 ministries and autonomous bodies

Large physical infrastructure with pan-India network and scale enabling inclusion

Awards





Golden Peacock Awards®
A Strategic Tool to Lead the Competition

IOD/GPA/2022/Winner/GPBEA/005

July 22, 2022

Dr. V. K. Agnihotri, IAS (Retd.)
Director General
[Former Secretary-General
Rajya Sabha (Parliament of India)]

WINNER of
Golden Peacock Business Excellence Award - 2022

Mr. Suresh Sethi
Managing Director and Chief Executive Officer
Protean eGov Technologies Limited
(formerly NSDL e-Governance Infrastructure Limited), Mumbai

Dear Mr. Sethi,

We are pleased to inform that your **'Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Mumbai'** has been declared the **Winner of 'Golden Peacock Business Excellence Award'** for the year 2022, by the Awards Jury under the Chairmanship of **Hon'ble Justice M. N. Venkatachaliah**, former Chief Justice of India and former Chairman, National Human Rights Commission of India and National Commission for Constitution of India Reforms.

Please do accept my heartiest congratulations for the honour on behalf of Institute of Directors (IOD), India.

Business excellence is about embarking on a journey to attain world-class standards of performance. It is a journey without a finishing line. Organizations have to continuously improve and innovate on their management system and processes in order to stay ahead in the competition. This enjoins building a sound foundation, energizing the people, sustaining a leading edge, and transforming themselves into high-performance organizations. The business excellence case for good governance and long term sustainability is thus well-established.

Your organization has undertaken significant initiatives to enhance its reputation in governance and sustainability practices, and created new benchmarks. It has gone beyond the statutory, ethical and sustainable compliance requirements to achieve high standards of corporate excellence.

Golden Peacock Awards recognize the best among organisations, which have significantly embedded risk management strategies and sustainability practices into their operations and decision-making processes, leading to improved company performance. Discharging business responsibly is crucial to sustainable excellence and success.

We wish you success in your continued journey towards excellence.

With warm regards,

Yours sincerely,

V. K. Agnihotri

IOD Institute of Directors Building Tomorrow's Boards

Golden Peacock Awards Secretariat
INSTITUTE OF DIRECTORS, M-56 A, Greater Kailash Part-II (Market), New Delhi-110048, India
Tel.: +91-11-41636294, 41636717, 41008704 • Fax: +91-11-41008705 • E-mail: info@goldenpeacockaward.com
www.goldenpeacockaward.com

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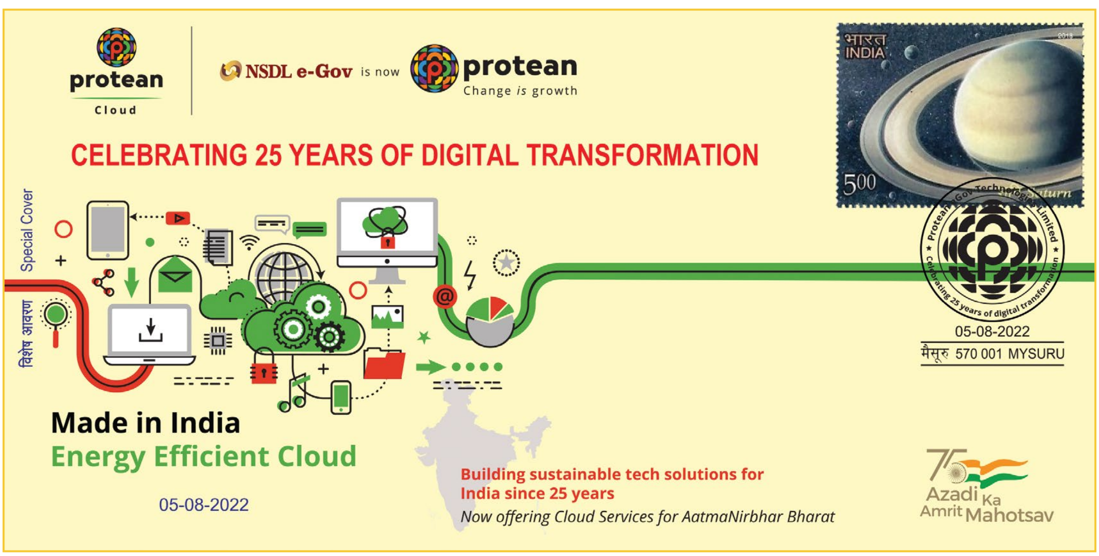
Recognitions



Release of Special Cover by Department of Post marking the launch of Protean cloud and celebrating Protean's 25 years journey of digital transformation

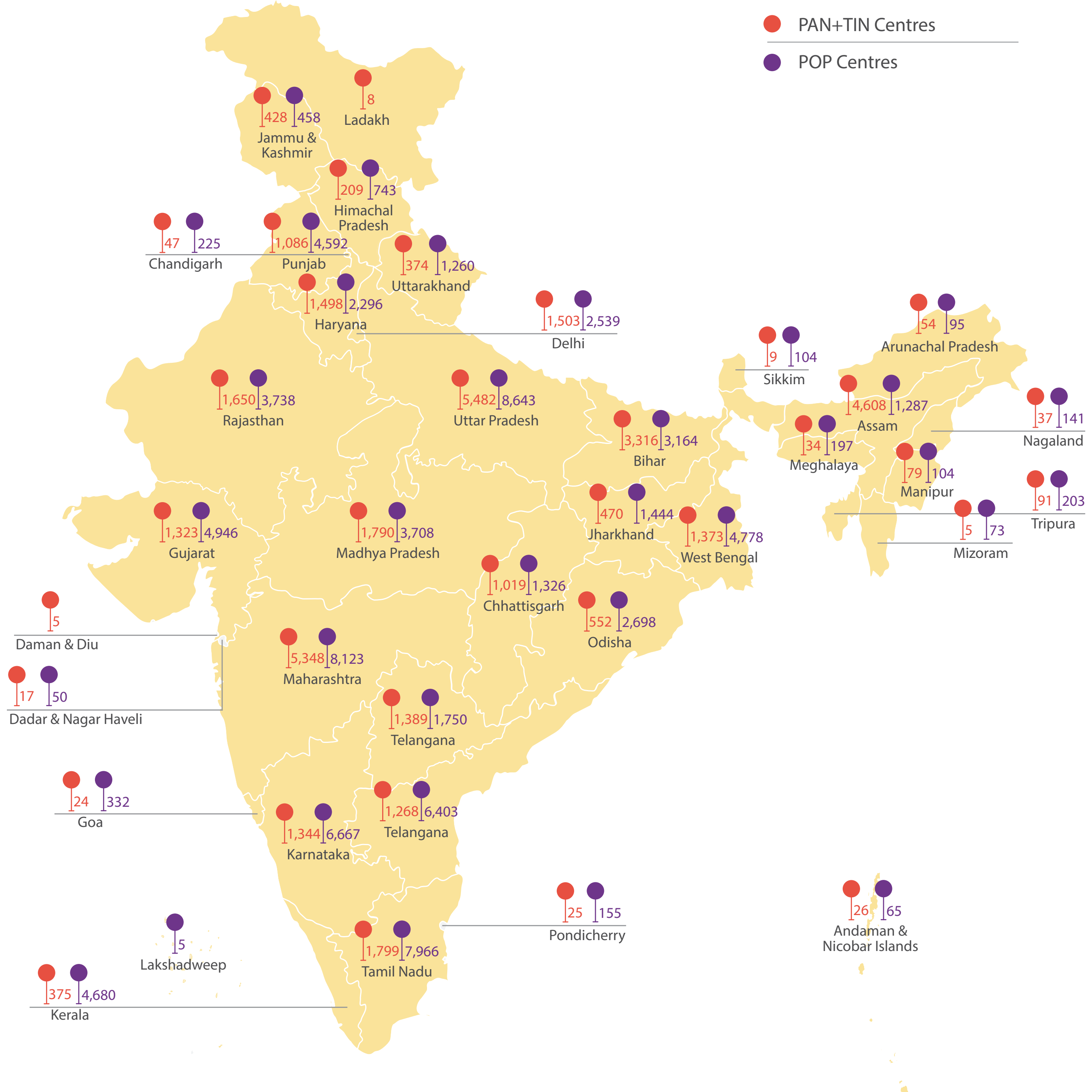
Geographical Presence

Our widespread physical network empowers us to enjoy excellent reach in both urban and rural India and build an effective service delivery model to foster digital inclusion.

53,000+ PAN+TIN
Centres

88,000+ POP
POP Centres

900,000+
Strategic Network Entities



Letter from Managing Director & CEO

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report of your Company for the financial year ended 31st March 2022.

The year was marked by economic and geo-political uncertainties led by the re-emergence of Covid-19, and followed by the Russia-Ukraine crisis during the last quarter. This led to supply chain bottlenecks among major commercial corridors and impacted the growth and recovery trajectory across several industry sectors. Nonetheless, Protean achieved an aggressive growth backed by its citizen centric and population scale e-governance solutions, forward-looking business strategy and high-performance technological capabilities.

As a key technology enabler engaged in conceptualizing, developing and executing nationally critical and population scale Greenfield Technology Solutions, our e-governance interventions have impacted multiple sectors of the Indian economy and touched various aspects of a citizen's life – providing and facilitating financial and social inclusion.

We have consistently maintained our leadership position in the market for over two decades, and are uniquely poised to ride the next wave of digitalization which is gathering strong policy driven undercurrents supported by the government and private players alike.

Financial Performance

Despite the macro-economic challenges, Protean delivered a strong financial performance for FY 2021-22. The Company grew on all fronts including revenues, profitability, operational efficiency, service-offerings, number of partners & customers, and geographical outreach. Revenue from operations during FY 2021-22 stood at ₹ 6,909.09 million as compared to ₹ 6,031.32 million in the previous year. The Profit after Tax (PAT) during the year was ₹ 1,438.87 million, 55.62% up from FY 2020-21.

The Company has always adopted a multi-channel business model to ensure universal access to social and welfare benefits. This commitment was further reinforced in the face of challenges presented by the pandemic restrictions. Consequently, we scaled up our distribution from 32,978 Centres (27,043 PAN Centres and 5,935 TIN-FCs) as on March 31, 2021 to 1.03 million PAN/ TIN Centres and Strategic Network Entities as on 31st March 2022. This hyper-scaling was achieved by adopting a differentiated service framework through an end-to-end assisted, digital-only model.

Growth Drivers

India has been a witness to exponential digital growth over the past decade. Adoption of digital technologies, further necessitated by the Covid-19 restrictions, escalated the demand for secure and efficient technology platforms. Today, we are one of the fastest growing economies in the world and we aim to become a $25 trillion economy by the year 2047.

Following a policy of maximum governance and minimum government, the government and the regulators have been instrumental in creating an enabling policy framework while investing in building foundational digital public infrastructure - and setting the standards and protocols. This has in turn led to the creation of multiple open and interoperable digital ecosystems and stacks across diverse sectors ranging from health to education, skilling, e commerce, logistics and mobility to name a few. Such ecosystems, built on open standards and modular architecture, would enable ecosystem participants to unlock innovative, disruptive and transformative solutions for the society and seamlessly collaborate with government systems (across central and state ministries/departments) for effective service delivery.

Other factors such as rapid increase in urbanisation have pushed the demand for robust e-governance and IT-enabled solutions. The sharp growth in the smartphone and mobile internet penetration among various consumer segments, across rural and urban geographies, has further enabled access to e-governance solutions.

Strategic Priorities

Protean has been a key contributor in building the public digital infrastructure and going forward, we see ourselves playing a critical role as an ecosystem enabler through co-creation and collaboration. Being a technology service provider, we have the opportunity to expand and position ourselves as a thought leader and implementer of innovative technologies across Government and private sectors. In line with this, during the course of the year, we have pivoted our business on multiple fronts.

As the nation is evolving towards collaborative ecosystems, Protean is striving to be one of the main contributors in creating and building transparent and secure 'Open Digital Ecosystems'. We are investing in building competence, capacity and IP in open source technologies and supporting digital building blocks that can unlock large scale economic, societal and governance value across select sectors like healthcare, education and agriculture. A key open digital ecosystem that has gained significant traction over the last year is in the space of digital ecommerce and mobility. Protean is one of the key and early contributors to the open source community and protocols that are powering Open Network for Digital Commerce (ONDC). We are also a part of the Advisory Council, set up by Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, to formulate, implement and provide policy oversight for ONDC.

As a key contributor to the India Stack, Protean provides various services that enable governments, businesses, startups and developers to evolve presence-less, paperless, and cashless service delivery platforms. We are now extending our service stack to provide a comprehensive set of APIs to enable end-to-end digital on-boarding and data verification capabilities. With mass digitization across all levels, India has become a data rich economy. We are one of the few countries to go beyond data privacy and work towards a consent based architecture for data empowerment. Protean has sought and received an in-principle approval to set up an Account Aggregator subsidiary. This will further complement our data-led service stack to provide data analytics and credit scoring services for digital lending.

Protean has been at the forefront of establishing digital public infrastructure at a population scale and managing large central databases while ensuring complete data privacy and security. We are now extending these core competencies to seed two new lines of business in the area of Information Security Advisory and Cloud Services. Protean InfoSec Services Ltd. – a wholly owned subsidiary, will offer indigenous cyber security consulting and advisory services to organizations across sectors that need assistance in handling personally identifiable and financially sensitive information of their clients and stakeholders. Protean Cloud is a 'made-in-India' energy-efficient cloud service in synergy with the government's Atmanirbhar Bharat mission that seeks to enable digital transformation and adoption of home-grown technology solutions in citizen-centric IT-enabled services.

We are taking our e-governance stack global, leveraging our expertise in providing population scale citizen-centric services in India. The Ministry of External Affairs has selected Protean under its "Development Partnership Framework" to promote India's technological capabilities globally. The Ministry of Health and Family Welfare has also selected Protean as an IT Services Provider for customization, implementation and roll out of CoWIN as an open-source platform for other countries.

As a responsible organization, Protean has adopted the United Nations' Sustainability Development Goals (UN SDGs) and has embraced an impact weighted framework to guide all business decisions with an eye on Environment, Society, and Governance (ESG) vectors. We are committed to build a deep-rooted value system guiding us to contribute towards a sustainable and responsible future.

> *"It is change,*
> *continuing change,*
> *inevitable change*
> *that is the dominant factor in society today.*
>
> *No sensible decision can be made any longer*
> *without taking into account*
> *not only the world as it is,*
> *but the world as it will be."*
>
> *- Isaac Asimov*

Conclusion

We believe 'Change' will be a constant driver of exponential growth for us and our customers. We have therefore, assumed a new identity for ourselves, transforming from NSDL e-Governance Infrastructure Limited to Protean eGov Technologies Ltd. The word Protean signifies versatility and adaptability.

This dovetails with our values of **Agility, Adaptability and Assurance**

Our new identity is in-line with the company's vision of being a global leader of change and transformation in the e-Governance and technology infrastructure space. Our new tagline – 'Change is growth' further reinforces our vision and commitment that goes beyond innovation, to include contributions to changing ecosystems and creating globally impactful solutions that promote ease of living!

I would like to thank all our key stakeholders who have reposed their faith in us. Your continued confidence has been a constant motivation and has pushed us to consistently raise the bar of excellence.

Your Company is well-positioned to leverage its existing strengths and build new capabilities to power the next era of digital transformation and governance!

Best regards,

Suresh Sethi
Managing Director & CEO

Core Services

Since 1996, Protean has been at the forefront of enabling public services for India through digitization. This is facilitated through secure, scalable and sustainable IT-enabled solutions across sectors to various customer segments. We implement transformational digital services in areas as diverse as tax, social security, digital identity, education and skill financing, among others.

Our services have consistently improved economic benefits for our stakeholders reflected through higher tax collections, improvement in time, cost and resource efficiencies, reduction in frauds, and information benefits. Other non-monetary benefits rendered through our services include improvement in service delivery, enhancements to public policies and processes and wider adoption of e-governance solutions by the citizens.

Service Overview

Diversified service Offerings across sectors to different business segments

Business-to-business | **Business-to-consumer** | **Business-to-government**

Tax Infrastructure

TAX Information Network (TIN)

Market leader in TIN services with more than **60% market share**

5.4+ crore TDS challans uploaded in FY22

PAN Services

Market leader in PAN allotment with **58% market share**

3.54 crore PAN applications processed in FY 22

212 crore PANs verified in FY22

Social Security and Welfare

CRA for National Pension Scheme (NPS)

Market leader in NPS with **97% market share in terms of subscribers**

5.13 crore subscribers as on 31st March, 2022

CRA for Atal Pension Yojana (APY)

100% market share. The only player providing APY services.

4.01+ crore subscribers as on 31st March, 2022

Identification Services

e-Sign Services

Market leader for online Aadhaar based eSign

4.55 lakh subscribers availed e-Sign facility in FY22

Aadhaar Authentication

Among the top **Top 10** players in terms of cumulative volume for Aadhaar Authentication and eKYC

27.61 crore Aadhar authentications in FY22

e-KYC Services

17.25 crore e-KYC transactions in FY22

Education & Skill Financing Solutions

Vidya Lakshmi

10,17,743 students applied for 13,42,003 loan schemes as on 31st March, 2022

3,87,090 loans disbursed as on 31st March, 2022

Vidyasaarathi

₹ 53.96 crore Total scholarship corpus as on 31st March, 2022

14,384 scholarships disbursed as on 31st March, 2022

New Business Lines

Identity and Data Allied Services including AA

Cloud Services

Cyber Security Advisory Services

Open Digital Market Places

International Business

Other Services

National Judicial Reference System (NJRS)

WorkFlow Management System for CBFC

NSDLgst Pilot Implementation

NSDLgst ASP and GST Suvidha Provider (GSP)

Revenue Management System (RMS)

Tax Infrastructure Services

Tax Information Network (TIN)

We have successfully established and managed an extensive Tax Information Network (TIN) on behalf of the income Tax Department (ITD). The TIN Portal automates assimilation of information regarding direct tax collected under various heads. It also facilitates other services like furnishing 'TDS cum Challan' for payment of TDS under different heads, etc. We are also engaged in processing applications for the issuance of Tax Deduction and Collection Account Number (TAN). Over the years, we have collaborated with various tax collecting banks to enable convenient upload of tax collection data across their branch network.

PAN Card Issuance and Online PAN Verification

We process applications for issuance of Permanent Account Number (PAN). We have also established and managed a portal for verification of PAN on behalf of the ITD.

Social Security Services

CRA for National Pension Scheme (NPS) and Atal Pension Yojana (APY)

We serve as the Central Recordkeeping Agency (CRA) for National Pension Scheme (NPS) - Government and private sectors, as well as for Atal Pension Yojana (APY). We have also conceptualized and implemented an online platform for registration and contribution to NPS with the objective to simplify the procedure and make the benefits more accessible to all.

Identification Services

Aadhar Authentication

Aadhaar authentication allows the residents to provide their identity seamlessly in turn enabling the service providers to extend them the benefits as provided by the government. Facilitated by a centrally stored database, our Aadhaar authentication services enable real-time verification without manual intervention.

e-Sign Services

e-Signature technology enables a user to sign the required documents electronically thereby eliminating the need for signing documents by hand. Our e-sign platform automates and simplifies this process by providing a secure way to sign legally binding documents through trustworthy channels, anytime, anywhere, and from any device.

e-KYC Services

We are an authorized Aadhaar based e-KYC service provider to different entities. The service enables the Know Your Client (KYC) services to be conducted electronically through the use of Aadhaar database.

Education and Skill Financing Services

Vidya Lakshmi

Vidya Lakshmi is a flagship portal designed by us to facilitate educational loans to students. It serves as a single window for students to access all education loan related information, apply for loans and track their loan status. The portal is also integrated with the National Scholarship Portal.

Vidyasaarathi

Vidyasaarathi is a tech-enabled portal that facilitates and manages: (a) online application of academic scholarships, (b) acceptance of scholarships, and (c) distribution of scholarships to the students. It brings all the stakeholders- students, corporate and government- on a single platform to bridge the gap in education finance in India.

Vidya Kaushal

Vidya Kaushal is a unique skill financing platform that enables the Indian citizens to apply for loans with the objective to pursue a skill development training course. Under this, we provide apt guidance to individuals for selecting and enrolling into an appropriate course and provide loan facility for skill training through multiple financing options.

Other Services

We provide a host of other digital services to upgrade our public infrastructure and simplify e-governance. This includes-

National Judicial Reference System (NJRS) to manage appeals through an Appeals Repository and Management System and a ready reference of judgments

CBFC Workflow Management System to design, develop and maintain workflow management system and the Central Board of Film Certification (CBFC) website

NSDLgst Pilot Implementation

NSDLgst ASP and GST Suvidha Provider (GSP) to offer GSP services to various entities such as dealers, tax consultants, service centre and other ASPs

Revenue Management System (RMS) for the Department of Telecommunication to collect non-tax revenues

Board of Directors

Mr. Shailesh Haribhakti

Chairman - Protean eGov Technologies Limited and Independent Director (Eminent Chartered Accountant Chairman, Haribhakti & Co LLP)

(DIN : 00007347)

Ms. D. N. Raval

Independent Director (Eminent Lawyer, Former Executive Director- SEBI)

(DIN : 02792246)

Justice Nishita Mhatre (Retd.)

Independent Director, (Retired Acting Chief Justice of Calcutta High Court)

(DIN: 08489369)

Mr. Abhaya Prasad Hota

Independent Director, (Former Managing Director & CEO of National Payments Corporation of India)

(DIN: 02593219)

Mr. Shailesh Kekre

Additional Director (Independent) (appointed w.e.f. May 31, 2022) (Former Managing Partner (HT & T, Technology & Consumer) McKinsey & Company)

(DIN: 07679583)

Mr. Lloyd Mathias

Additional Director (Independent)
(appointed w.e.f. June 29, 2022)
(Pan- Asia business leader,
marketer and strategist)

(DIN: 02879668)

Mr. Mukesh Agarwal

Director
(Managing Director, NSE Indices Limited
and NSE Data & Analytics Limited)

(DIN: 03054853)

Mr. Karan Bhagat

Director
(Founder, Managing Director and
Chief Executive Officer of IIFL Wealth)

(DIN: 03247753)

Mr. Suresh Sethi

Managing Director & CEO
Protean eGov Technologies Limited

(DIN: 06426040)

Mr. Jayesh Sule

Whole Time Director & COO
Protean eGov Technologies Limited

(DIN : 07432517)

Corporate Information

Management and Leadership Team

Mr. Suresh Sethi	Managing Director & CEO
Mr. Jayesh Sule	Whole Time Director & COO
Mr. Amit Sinha	Group Head - Social Security and Welfare
Mr. Dharmesh Parekh	Chief Information Officer
Mr. Milind Mungale	Chief Impact Officer & CISO
Mr. Tejas Desai	Chief Finance Officer
Mr. Gopa Kumar T.N.	Chief Business Officer
Mr. Bertram D'Souza	Chief Product & Innovation Officer
Ms. Dipali Sheth	Chief Human Resources Officer
Mr. Hiten Mehta	Group Head - Business Operations
Mr. Dattaram Mhadgut	Chief Technology Officer
Mr. Kapil Kapoor	Chief Risk & Compliance Officer
Mr. Vivek Acharya	Head - Internal Audit
Mr. Maulesh Kantharia	Company Secretary & Compliance Officer

Statutory Auditors

M/s B S R & Associates LLP,
Chartered Accountants, Mumbai

Secretarial Auditors

M/s S. N. Ananthasubramanian & Co,
Company Secretaries, Thane

Internal Auditors

M/s Deloitte Touche Tohmatsu India LLP,
Chartered Accountants, Mumbai

Bankers

1. IDBI Bank
2. HDFC Bank
3. Axis Bank
4. Central Bank of India
5. Union Bank
6. Kotak Mahindra Bank Limited

Registrar & Transfer Agent

Link Intime India Private Limited

Registered Office

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

Website: www.proteantech.in
E-mail: cs@proteantech.in

CIN: U72900MH1995PLC095642

Board's Report

Dear Members

Your Directors are pleased to present the Twenty-Seventh (27th) Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31 March 2022.

1. FINANCIAL SUMMARY

1.1 PERFORMANCE AT A GLANCE

(₹ In Millions)

Particulars	FY 2021-22	FY 2020-21	FY 2019-20
Income	7,697.11	6,521.51	7,546.20
Expenditure	5,673.39	5,189.91	5,698.70
Depreciation and amortisation expense	168.40	172.80	274.70
Profit before Tax	1,855.32	1,158.80	1,572.80
Profit after Tax	1,438.87	924.60	1,212.40
Net worth	7,886.89	6,683.01	7,538.00
Earnings Per Share			
Basic (₹)	35.77	23.08	30.31
Diluted (₹)	35.73	23.06	30.24
Dividend paid / proposed (%) (Face Value – ₹ 10 per equity share)	100% *	440% **	100%

** Proposed*

*** Including Special Dividend of 350%*

During FY'22, Revenue from operations stood at ₹ 6,909.09 million as compared to ₹ 6,031.32 million in the previous year. The Profit After Tax (PAT) during the year was ₹ 1,438.87 million as compared to ₹ 924.60 million in previous year. The Company has made provision for Tax of ₹ 524.88 (Current Year Tax) million. No amount is proposed to be transferred to reserves.

Revenue

Revenue from operations stood at ₹ 6909.09 Million in 2021-22 compared to ₹ 6031.32 Million in 2020-21, registering a y-o-y growth of 14.55%. The growth was primarily attributable to increase in PAN and ID (eSign) services business volumes.

Expenses

The total expenses of the Company stood at ₹ 5841.79 Million in 2021-22 compared to ₹ 5362.63 Million in 2020-21, registering a y-o-y increase of 8.94%. The increase in variable expenses consequent to rise in volumes of PAN and ID (eSign).

Profitability

Profit before tax

The Company's profit before tax stood at ₹ 1855.32 Million in 2021-22 compared to ₹ 1159.07 Million in 2020-21.

Profit after tax

The Company's profit after tax stood at ₹ 1438.87 Million in 2021-22 compared to ₹ 924.60 Million in 2020-21.

1.2 DIVIDEND

The Board of Directors have recommended a dividend of 100 % i.e. ₹ 10 per equity share (on the face value of ₹ 10 each) for FY'22 for consideration of the shareholders. The dividend distribution would result in a cash outflow of ₹ 403.84 million (approx.) (Payout ratio of 28% approx.).

1.3 SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Particulars As at	31 March 2022	31 March 2021
Current Ratio*	3.02	2.25
Net profit Ratio**	21%	15%
Return on Equity**	18%	14%
Return on Capital employed**	23%	17%
Return on Investment	9%	9%
Net Capital turnover Ratio	0.88	0.90
Trade receivables turnover ratio	3.46	3.05
Trade payables turnover ratio	5.10	4.48

** Increase in current ratio is due increse in cash and cash equivalent on account of amount received as sale proceed from banglore data centre.*

*** Increase in profitability ratio is due to business profit earned on sale of banglore data centre (Refer note 19).*

1.4 FOREIGN EXCHANGE EARNINGS/OUTGO DURING THE YEAR UNDER REVIEW

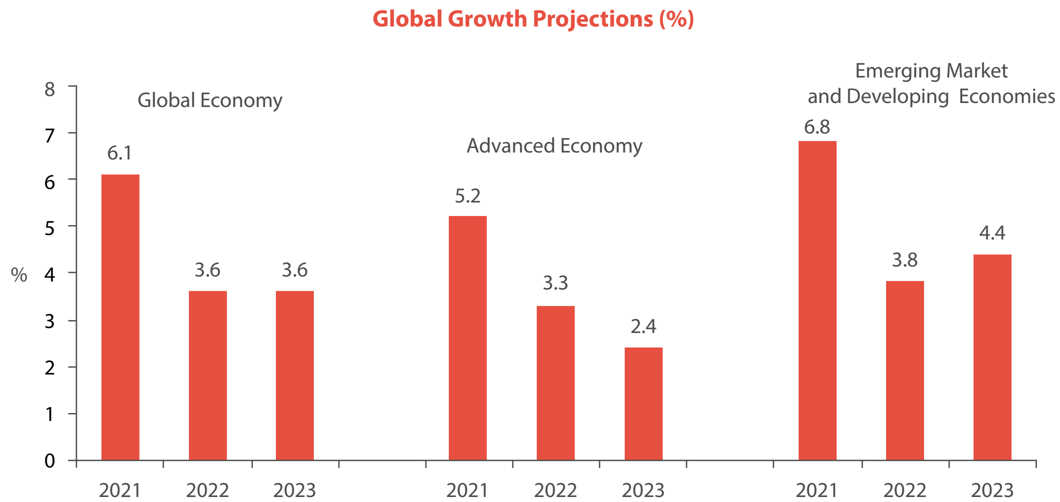
Sr. No.	Particulars	FY 2021-22 (in Million)	FY 2020-21 (in Million)	FY 2019-20 (in Million)
1.	Foreign Exchange Earnings	NIL	NIL	NIL
2.	Foreign Exchange Outgo/Expenditure incurred in foreign currency	5.98	0.79	15.48

2. MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC REVIEW

The Financial year 2021-22, though marked by new waves of COVID-19, saw the global economy heading for a recovery. Banking on international collaboration in adapting functional health policies and increasing vaccinations across the globe and efficient fiscal and monetary policies across the globe, the global economy is estimated to grow by 6.1% in 2021, compared to a contraction of 3.1% in 2020. The biggest driver of the global recovery has been the Emerging Markets and Developing Economies (EMDEs), which are estimated to clock an average gross domestic product (GDP) growth of 6.8%. On the other hand, the advanced economies were estimated to grow at 5.2% in 2021.

World Economic Output (%)



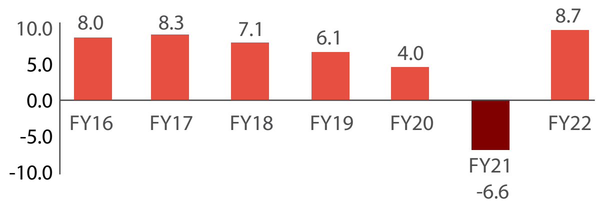
Source: IMF World Economic Outlook April 2022

The recovery phase of the global economy is projected to be sluggish in 2022 and 2023 owing to the Russia/ Ukraine war and the possibilities of yet another wave of COVID. The aggregate output of advanced economies will take longer to return to pre-pandemic levels. Further, the divergence between advanced economies and EMDEs that emerged in 2021 is projected to persist, implying some long-term scarring from the pandemic. The crisis may also benefit EMDEs, as they may be able to acquire vacant Russian and Ukrainian markets. As a result, their output is expected to grow and stabilise at 4.4% in 2023, post a projected downfall of 3.8% in 2022.

INDIAN ECONOMY REVIEW

In financial year 2021-22, the country was marked with the outbreak of the second and third wave of the COVID-19 pandemic. Though the impact of the third wave was not much, the second wave took a heavy toll on the economy and people's lives. Following the onslaught of the second wave of COVID-19, India's economy was headed for a recovery. The Government increased infrastructure expenditure to not only restore medium-term demand but also enact significant supply-side reforms to position the economy for long-term growth. As per the second advance estimates of the National Statistics Organisation (NSO), Indian economy is estimated to grow at 8.7% in 2021-22 compared to a contraction of 6.6% in 2020-21.

Indian Economic Output (%)



Source: Press Note on the Provisional Estimates (PE) of National Income, 2021-22 by the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation dated May 31, 2022.

The increasing government funding in public infrastructure is expected to encourage growth and attract private investment through a strong multiplier effect in the industry. However, supply-side bottlenecks are expected to remain persistent with gradually rising international crude oil prices and growing raw material costs in 2022-23. The availability of budgetary space to ramp up capital spending, advantages from supply-side reforms, regulatory relaxation, and continued export growth will also contribute to growth in 2022-23. As per IMF's World Economic Outlook projections, India's real GDP is projected to grow at ~8.9% in 2022-23 and 7.1% in 2023-24, which is expected to make India the fastest growing major economy in the world for all 3 years between 2021-22 and 2023-24.

INDUSTRY OVERVIEW

Indian IT and ITeS sector

The Indian IT and IT-enabled services sector is one of the biggest contributors of GDP and one of the largest employers in the country. According to CRISIL, domestic IT services' revenue is projected to grow at a compounded annual growth rate (CAGR) of 6-8% between FY 2020-21 – to FY 2025-26. The biggest drivers of this growth are expected to be technology and platform upgradation, and increasing e-governance initiatives of the Central and State Governments. Government agencies would carve the majority share of domestic revenues from the IT sector.

The revenues from the domestic ITeS sector comprises a wide spectrum of services centred on information technology and internet. With the increasing internet penetration in the country and the increasing use of information technology, the revenues from ITeS sector is projected to grow at a CAGR of 6-8% between 2020-21 and 2025-26. This growth will be spearheaded by an increase of volumes due to increasing adoption of digitisation, especially post the COVID-conundrum. On the sectoral front, volumes are expected to be driven by the banking, financial services, insurance, and government segments. Over the last few years, India has seen an exponential rise in fintech adoption and has emerged as the country with the highest fintech adoption rate globally, pegged at 87% compared to the global average of 64%.

Further, with the increasing focus of the Government on digital transactions, the Unified Payments Interface (UPI) has been instrumental towards financial inclusion. With the help of UPI, people are able to make payments with a single click of a button on their smartphones through their linked bank accounts. The sheer increase in volumes of digital transactions is testament to the increasing digitisation across the country.
(Source: CRISIL, InvestIndia)

Growth drivers

Rising disposable incomes: The per capita net national income in India is estimated at ₹ 1,50,326 in 2021-22 compared to ₹ 1,28,829 in 2020-21, at current prices, thereby, indicating the increasing ability to spend.

Favourable demographics: One of the largest countries in the world with the second largest population, India's population is estimated at 1.38 billion in 2020, and is constantly rising, thereby driving the need and demand of e-governance solutions. In 2019, approximately 26.6% of the Indian population fell into the 0-14 year category, 67.0% into the 15-64 age group and 6.4% were over 65 years of age. The median age of India's population has been increasing constantly. In 2020, the country's median age was estimated at 28.2 years compared to a global average of 30.9 years.

Increasing urbanisation: The share of urban population in India's total population has been rising over the past few years. By 2030, nearly 40% of the country's population is expected to be residing in urban locales, thereby raising the demand for IT-enabled solutions.

Rising internet penetration: The Internet and broadband penetration in India has been growing at an exponential rate over the past few years. The number of internet subscribers stood at 795.2 million at the end of December 2020, up from 302.4 million in 2015.

Improving financial inclusion: The larger aim of financial inclusion is to provide deeper penetration of banking services across the country. Over the years, various measures have been undertaken by the Government such as opening of no-frills zero balance Jan Dhan accounts, Direct Benefit Transfer (DBT) scheme, issuance of RuPay cards and Kisan Credit Cards, Aadhaar-enabled schemes, and Unified Payment Interface. As a culmination of these measures, the total number of basic savings bank deposit accounts have increased from 73.5 million in 2010 to 600.4 million in 2020. This has, in turn, also increased digital transactions, thereby driving the ITeS sector.

Increasing government spend:

- Over the past few years, the Government has been increasingly spending on boosting digital transactions. In the Union Budget 2021-2022, ₹ 15 billion was earmarked for a proposed scheme that would provide financial incentive to promote digital mode of payments. Further, the Government also launched initiatives such as tax audit exemptions for businesses based on digital payments usage and establishing of a financial technology hub to promote digital transactions. This is expected to drive digital payment volumes to grow from 40.8 billion in 2021-22 to 92.3 billion in 2024-25.

- Further, the Government has also been increasingly spending on IT and telecom. In the Union Budget 2021-22, the Government has earmarked an investment of ₹ 587.4 billion on telecom and ₹ 97.2 billion on IT, up by 47% over the previous fiscal.

BUSINESS OVERVIEW

Protean eGov Technologies Limited (hereafter mentioned as 'the Company'), earlier known as NSDL e-Governance Infrastructure Limited, embarked on its journey as a depository in 1995 which created a systemically important national infrastructure for capital market development in India. Leveraging its rich experience coupled with a capable leadership team, the Company has emerged as one of the key IT-enabled solution companies in India, which is engaged in conceptualising, developing and executing nationally-critical and population scale greenfield technology solutions. In collaboration with the Government, the Company creates digital public infrastructure and develops innovative citizen-centric e-governance solutions.

The Company's unique solutions have led to identification of bottlenecks in government services, thereby increasing transparency and improving efficiencies. This has further resulted in redefining the delivery of public services, and led to a reduction in service delivery costs. The Company is an established name in the e-governance sector in India with respect to profitability, operating income, operating profit and operating profit margin. The Company has been instrumental in establishing public digital infrastructure and creating e-governance interventions, impacting multiple sectors of the Indian economy.

CAUTIONARY STATEMENT

Statements mentioned in this Management Discussion and Analysis report describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations that involve risks and uncertainties. Such statements represent the intention of the management and the efforts being put in place by them to achieve certain goals. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Therefore, the investors are requested to make their own independent assessments and judgments by considering all relevant factors before making any investment decision.

3. PROGRESS AT PROTEAN eGOV

A. KEY PROJECTS

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 also 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. The Company 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 Statements to be filed by Government offices. These Government offices are identified by an Account Office Identification Number (AIN) which is mandatorily required for furnishing Form 24G Statements. Protean processes applications for issuance of AIN to Government Offices. Protean also provides a facility on TIN portal, to furnish TDS statement cum challans (Form 26QB) for payment of TDS on sale of immovable property; Form 26QC for payment of TDS on Rent of Property and Form 26QD for TDS on payments to Resident Contractors and Professionals by Individuals and HUF.

Protean has established connectivity with 20 tax collecting banks to upload tax collection data from more than 19,800 branches.

During the year, more than 5.4 Crore challans were uploaded by banks. As on 31 March 2022, 6,545 TIN Facilitation Centres (FCs) were operational across around 1,691 locations providing e-TDS Returns acceptance services to taxpayers. During the year, around 3.54 crore PAN applications were processed by Protean while, the cumulative number has exceeded 39.38 crore. 53,886 Centres (47,341 PAN Centres and 6,545 TIN-FCs) were operational across 7,513 towns/ cities providing PAN application acceptance services.

2. Online Pan Verification (OPV) Facility

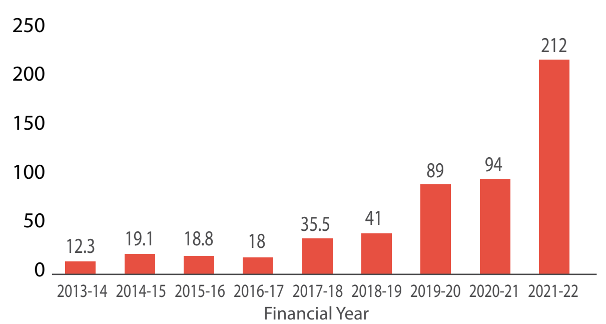
Your company has established a portal to enable authorized entities to avail internet based service for verification of PANs i.e. Online PAN Verification facility on behalf of Income Tax Department.

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, 212 crore PANs were verified by users of this service. As on 31 March 2022, 2,146 users were availing the OPV facility and around 553 crore PANs have been verified so far cumulatively.

No. of PANs verified (In Crores)



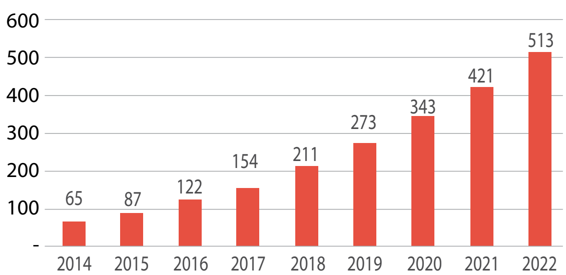
3. Central Recordkeeping Agency (CRA) for National pension System

CRA acts as an operational interface between PFRDA and other NPS intermediaries.

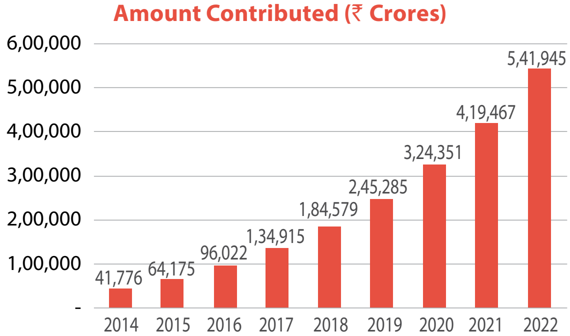
Your company has been acting as the Central Recordkeeping Agency (CRA) for National Pension System (NPS) for over thirteen years now. Along with Central Government, CRA services are also being provided to various other sectors namely, Central Autonomous Bodies (CABs), State Governments/Union Territories, State Autonomous Bodies (SABs), Corporate Sector, All Citizens of India (referred as unorganized sector-UOS), NPS Lite and Atal Pension Yojana (APY).

Total Assets Under Management (AUM) under NPS has increased from ₹ 5,74,974 Cr, as of 31 March 2021 to ₹ 7,15,477 Cr. as of 31 March 2022, a growth of 24%.

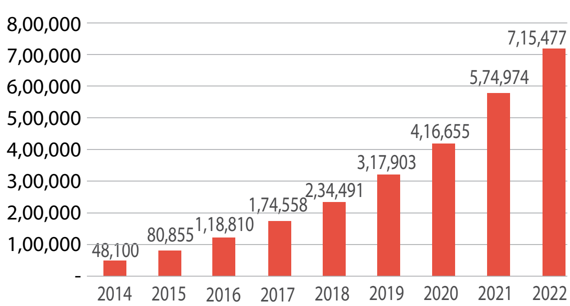
NPS/APY Subscribers (In Lacs)



Amount Contributed (₹ Crores)



AUM (₹ Crores)



a) **NPS Government Sector:** The Government Sector consists of Central Government (including CABs) and State Governments/Union Territories (including SABs). So far, 32 State Governments/Union Territories have entered into agreement with **Protean** for availing its services as CRA. During the last year, more than 5,600 Nodal Offices were registered for Government Sector. In all, more than 26,000 Nodal Offices of Central Government (including the offices of 650 CABs) and 2.48 lakh Nodal Offices of State Governments (including the offices of 1,578 SABs) are registered with **Protean**.

In FY 2020-21, NPS Tier II-Tax Saver Scheme (TTS) was introduced specifically for Central Government Subscribers under NPS excluding CABs wherein the transactions have a lock-in of three years and qualifies for tax benefit u/s 80C. During the year, TTS has been extended to all Central Government employees including those who have not covered mandatorily under NPS based on self-declaration. As on 31 March 2022, total 2,845 TTS accounts have been opened/ activated with contribution amount of ₹ 6.60 crores.

b) **NPS Private Sector:** NPS Private Sector consists of All Citizens of India sector (also referred to as Unorganized Sector, i.e. UOS) and Corporate Sector. As of 31 March 2022, around 81 entities were acting as Points of Presence (POPs) servicing subscribers under these sectors through more than 88,500 touch points across the country. So far, more than 8,800 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.

Tier II investment in Permanent Retirement Account (PRA) is a facility for the existing NPS Account holders to undertake investments over and above the investment in the normal pension account (i.e., Tier I). More than 4.55 lakh subscribers have availed the facility of Tier II account as on 31 March 2022.

c) **eNPS: Protean** in its continuous endeavour to simplify procedures and modalities of NPS, developed an online platform (based on PFRDA guidelines) for registration and contribution. During the year FY 2021-22, this functionality i.e., subscriber registration has been made available to Government offices where their underlying employees can register through eNPS. This process ensures that PRAN is available to the subscriber instantly with KYC done by their Nodal offices. Using the former option (i.e. PAN and KYC verification as well as Aadhaar), a Subscriber can register online through his/her associated office (with PAN/Aadhaar as mandated KYC supporting document). KYC details of the subscribers are verified and authorized by their Nodal offices. Till March 2022, 3,192 Government subscribers have been registered through eNPS.

Currently, Bill Desk and RazorPay acts as Payment Gateway Service Providers for eNPS contributions and 58 Banks are associated with them through which subscribers can remit contribution to their NPS accounts. Contribution payment using UPI has also been made available in e NPS. During this financial year, around 6.94 lakh PRANs were generated under UOS, of which more than 52% PRANs were generated through eNPS. Further, ₹ 7,722 cr. was contributed through eNPS (by both, existing as well as new Subscribers of NPS regular and Lite including Tier II) during this financial year.

eSign/ OTP based authentication facility has been integrated with eNPS platform to enable a subscriber to sign his/her PRAN application electronically. This paperless on-boarding process has eliminated the requirement of submission of physical documents to CRA, thus enhancing the ease of registration process. Till this financial year end, more than 9.10 lakh subscribers have availed this facility. The facility to activate Tier II account by existing subscribers has also been made available under eNPS. Out of 4.68 Lakh Tier II accounts, nearly 3.26 Lakh accounts are opened through the eNPS.

D-Remit facility: Under NPS, various modes are available for contributing. However, any contribution through any mode on eNPS platform is credited into the PRAN account of the subscriber on T+2 working days and thus the NAV is allotted on T+2 day (T being the day of remittance of funds by the subscriber). D-Remit is a process/facility wherein a subscriber will get NAV of the same day (provided the contribution is made to Trustee Bank before a pre- decided cut-off time – at present 9.30 am) and provides the Subscriber with an option to make systematic investments in the PRAN account. As on 31 March 2022, more than 9.63 lakh D- Remit transactions were made for which total contribution of ₹ 1,036.25 crores were settled across sectors.

d) **Online PRAN generation by Nodal Offices:** In addition to eNPS, to facilitate the process of PRAN generation and timely upload of NPS contributions, **Protean** has developed and made available the functionality of Online PRAN Generation to Nodal Offices & POPs. During this financial year, more than 3.89 (UOS+Corporate) lakhs PRANs have been generated. This account for more than 92% of the total PRANs generated under Private Sector (excluding PRANs generated through eNPS). Whereas in Government Sector, more than 4.50 Lakh PRANs have been generated during the year using Online PRAN Generation facility.

e) **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 comprehensible. 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 31 March 2022, numbering 414 APY Service Providers (APY-SPs - PSUs/Private Banks/RRBs/DCCBs/SCBs/UCBs/DOP/SFBs/PAYB) have joined and these APY-SPs have registered around 1.69 Lakh branches under APY as service branches. More than 4.01 Cr. subscribers have been registered under APY till 31 March 2022.

f) **Empowering Subscribers:**

Paperless exit & enhancements: The facility of online processing of withdrawal request in a paperless manner has been made available for Government & Non-Government Subscribers, wherein the Subscriber only needs to raise online withdrawal request, upload the necessary documents online and submit the request using the eSign/OTP verification. The associated Nodal Office/POP will verify details online and authorize the request, post which the will be processed in the CRA.

As part of online withdrawal process, Bank Account details of Subscriber are verified through online Bank Verification to ensure seamless transfer of funds. Further, smart exit guide has been made available in CRA login for Subscribers containing guidelines on exit process.

ePRAN and welcome Kit: eNPS Subscribers are provided with the option of ePRAN/Welcome kit instead of Physical PRAN card at the time of registration through eNPS platform in order to optimize the cost borne by the Subscribers. It is seen that around 55% of the Subscribers opt for ePRAN /welcome kit since the functionality was made available.

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 under NPS after providing PRAN as User ID and IPIN as password. The App is available for download on 'Google Play Store' as '**NPS by Protean'** for Android users. The app is also available for iOS and Windows users.

Bilingual version of Mobile App has also been made available for the convenience of NPS Subscribers. A subscriber has the option to choose the desired language option (either English or Hindi) on accessing the Mobile App.

Similar to NPS Regular, **Protean** CRA has launched the "**APY and NPS Lite Mobile App**". With the help of this App, the APY Subscribers can remain informed about their APY accounts on an ongoing basis, can view current holdings, download Transaction Statement/e-PRAN Card, View account/personal details, can check estimated Pension Upgrade/Downgrade amount, have direct access link for "APY Ki Pathshala" for detailed information regarding APY services among others.

As on 31 March 2022, more than 10.61 million users have downloaded this App (NPS regular and APY)

Extension of Registration & Contribution Age:. In case of Unorganised Sector, the Subscribers were allowed to enrol under NPS till the age of 65 years. During this financial year, PFRDA extended the entry age under NPS and now, Subscribers can enrol under NPS till 70 years of age. Also, contribution submission age has been enhanced till 75 years from 70 years which has facilitated Subscribers to remain invested under NPS for longer time & accumulate pension wealth.

Chatbot: NPS/APY Chatbot (KYNA) has been implemented on NPS /APY Transaction websites. Existing as well as prospective Subscribers can access Chatbot for information/queries on NPS as well as APY. The Chatbot facility is also available on CRA Corporate Website as well as in Mobile App. As on 31 March 2022 there are more than 6.21 lakhs views in Chatbot.

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 was made available in the CRA system during the year 2020-21 to facilitate registration of Retirement Advisers. As on 31 March 2022, 83 Retirement Advisers have been registered in the CRA system and 1,350 PRANs have been generated through them.

Capacity Building and Marketing Initiatives: Several initiatives have been taken to reach out to different stakeholders of NPS during FY 2021-22. During current Financial Year, more than 1,350 training sessions were conducted across all sectors online as well as offline (wherever possible) for the Nodal Offices on various processes involved under NPS, operational requirements and process disciplines to be followed. More than 40,000 attendees benefitted from attending these programs.

Subscriber Awareness Programmes (SAP) are conducted to complement the efforts of PFRDA to make NPS popular amongst the masses and also to increase the awareness about NPS across India about various features of NPS. During this financial year, 90 awareness sessions (including eSAP and webinars) were conducted and most of them were virtual due to the pandemic situation. Around 8,700 people attended and benefitted from these awareness programs.

Digital Media Initiatives: To be in step with digital revolution, we have made ourselves significantly present in the digital space. Protean CRA has ramped up digital marketing initiatives which are focus on driving interest towards NPS and APY. Various new digital marketing initiatives, in the form of social media, audio-visual content, online collaborative campaigns were aimed to increase reach and engagement with Subscribers and Stakeholders. Further, by scaling up these initiates with captivating visual content, CRA has been able to spread large scale awareness in a creative way on new developments in NPS & APY and their feature & benefits. We are actively present on four most powerful platforms of the digital era – Facebook, YouTube, Quora and Instagram.

Protean CRA's facebook page has over 79,000 followers whereas our Quora account has reached 1.9 million views and we have also become the most viewed writer of the topic 'NPS'. Our YouTube channel - 'NPS Ki Pathshala' has over 1.46 lakh Subscribers, with over 4.62 million views and the same has been utilized in imparting knowledge about NPS & APY and related operational aspects. Further, Our Instagram page called 'Protean.CRA' has over 10,000 followers.

As the largest CRA with a footprint across sectors like Government, Non Government, Corporate as well the economically underprivileged, we would like to make pension more accessible by increasing the reach of the Service Providers. With this vision we are working on identifying and activating new Channels and Channel Partners to increase the penetration of NPS at scale amongst the Indian populace. 'Pension' as a subject is lesser known area and even lesser is the information available, as a Protean CRA has worked continuously towards creation of awareness and providing the support to the channel partners in creating visibility for the product. Our Social Media imprint and Digital content is widely circulated and utilised by all stakeholders.

Protean was the first CRA in the NPS architecture and with the passage of almost a decade and a half the technology has taken massive strides of change. In line with these changes we have undertaken various technology initiatives towards supporting automation through the availability of a suite of APIs for all services, creation of better and simpler User experience through a change in the entire UI/UX for all our stakeholders and a one stop mobile application for everything under NPS.

B. IDENTITY SERVICES

1. Authentication , e-KYC & e-Sign services

Protean has been authorised by Unique Identification Authority of India (UIDAI) as an Authentication Service Agency (ASA) and Authentication User Agency (AUA) for providing Aadhaar Authentication Services to various entities. Protean has also been authorised by UIDAI as KYC Service Agency (KSA) and KYC User Agency (KUA) for providing Aadhaar based e-KYC services to various entities. 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. As of now, 30 entities including Central/State Governments, Banks/Payment Bank, PSUs, Insurance Companies avail these services from Protean. During FY 2021-22, your company has carried out 27.61 crore Aadhaar authentication and 17.25 crore e-KYC transactions. So far, 193.45 Crore authentication and 79.51 crore e -KYC transactions have been carried out through Protean. Protean is also empaneled with Controller of Certifying Authorities (CCA) to operate as a licensed Certifying Authority (CA) and as an e- Sign Service Provider for providing e- Sign services to various Application Service Providers (ASPs). As of now, 220 entities including Central/State Governments, Banks/ Payment Banks, PSUs, Depository Participants, Stock Brokers, among others avail these services from Protean. During FY 2021-22, your company has carried out 8.20 crore e-Sign transactions. So far, 17.52 Crore e-Sign transactions have been carried out through Protean.

2. 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 number of the Resident registered with UIDAI. e-Sign aims at transforming the use of digital signatures and promote paperless digital environment using Aadhaar. e-Sign 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, eNACH mandate, application for PAN, application for Permanent Retirement Account Number (PRAN) for National Pension System (NPS)/Atal Pension Yojana (APY) among others.

So far, 220 entities comprising Banks, Insurance Companies, Non Banking Financial Company (NBFC), Depository Participants, Stock Brokers, e-Commerce organizations, Financial Institutions, Corporate Bodies, among others. have been registered with Protean as Application Service Provider (ASPs). Online PAN application and Online NPS modules of Protean have implemented e-Sign services and are operational as an ASP. As on 31 March 2022, more than 17.72 crore e-Signs were generated. Protean undertakes various marketing initiatives to make this service popular for various usages and users.

C. EDUCATION AND SKILL FINANCING SOLUTIONS

1. Vidya Lakshmi Portal for Educational Loan Schemes of Banks

Vidya Lakshmi portal (VLP) is developed by your company, under the guidance of Department of Financial Services (Ministry of Finance), Department of Higher Education (Ministry of Education) 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 the National Scholarship Portal.

Progress so far:-

- As on 31 March 2022 , there were 39 banks and 73 loan schemes registered on VLP.
- As on 31 March 2022, a total of 26,42,067 students have registered on VLP, out of which 10,17,743 Students have applied for 13,42,003 loan schemes and 3,87,090 educational loans have been disbursed through VLP.
- The YoY growth in loan disbursement through VLP for FY2021-22 was 25%.

2. Vidyasaarathi Portal for online acceptance of applications and distribution of scholarships to students

Vidyasaarathi portal (VSP) is developed by your company for online acceptance of scholarship applications and distribution of scholarships to students. VSP is a technology-enabled initiative by Protean and Tata Institute of Social Science (TISS) to bridge the huge 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 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.
- Easy management 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.
- Career related online tests for students.

Progress so far (as on 31 March 2022):-

1. Number of students registered on the VSP:- 11,79,396
2. Number of students who have applied for scholarships:- 9,64,224
3. Number of Corporates on-board:- 57
4. Number of Scholarship schemes published:- 507
5. Total scholarship corpus:- ₹ 53.96 Crore
6. Total scholarships awarded/disbursed:- 14,832
7. Total scholarships due to be awarded/disbursed:- 5,250

D. OTHER PROJECTS

1. National Judicial Reference System ("NJRS")

The NJRS was developed by your company for the Income Tax Department. It is a platform for decision support and timely actions in direct tax cases. NJRS acts as a tool to achieve efficiency in the tax litigation process of Income Tax Department and is a repository of tax judgments. It is a single accumulated reference of all final judgments and orders of the Income Tax Appellate Tribunal from the year 2012 and High Courts and the Supreme Court of India from the year 2009 and all legacy judgments.

NJRS provided a 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, High Courts and the Supreme Court.

Judicial Research and Reference System ("JRRS"): JRRS is a repository of judicial orders as a single, indexed, searchable, cross-linked, database of judgments and orders of Income Tax Appellate Tribunal, Authority of Advance Ruling, High Courts and the Supreme Court.

As of March 31, 2022, the repository of NJRS has data of about 828,646 appeals and 283,000 judgments of Income Tax Appellate Tribunal, High Courts and the Supreme Court.

2. GST Suvidha Provider/GST Verification Services

Your company is a registered GST Suvidha Provider (GSP) with Goods and Services Tax Network (GSTN) and offers GSP services to other Application Service Providers (ASP). Protean provides APIs to the enrolled ASPs for enabling them to access the GSTN (Goods and Services Tax Network) & NIC (National Informatics Centre) network for GST, eWay bill and e-Invoice compliance.

Currently, we are catering to the API requirement of more than 50 ASP clients. The annual API consumption for FY. 21-22 was around 8 Crore APIs .

Protean also offers GST verification services (GVS) which has been developed especially for the Banks and Financial Institutions keeping in mind their needs and requirements for authenticating the GST records of their borrowers / clients. Using GVS, Banks, NBFCs and other lending institutions can verify the GSTIN number, track the return filing status and authenticate the GST related sales and purchase data of their customers with the records available at the GSTN portal.

29 banks/NBFCs are registered with us for using GVS. The GVS usage during FY 21-22 were around 8000 transactions.

3. Revenue Management System ("RMS")

Your company has designed, developed and hosted a centralized RMS called '*SARAS*' for the Department of Telecommunications, Government of India (**DoT**). This system enables the government to collect non-tax revenues. We believe, RMS enhances delivery efficiency with standardizing existing process by improving customer service and user experience for stakeholders.

SARAS has been conceptualised and designed for use by all licensees across India for all transactions and communications with DoT across the life cycle of the license, including submission of adjusted gross revenue and related documents, submission of deduction claims and related documents, license fee and spectrum user charges payments, bank guarantee related submissions, receipt and response to various notifications and notice, including deduction verification related show cause notices, license fee and spectrum user charges demand notices, bank guarantee related notices as well as submission and response to representation and grievances.

4. Workflow Management System for Central Board of Film Certification ("CBFC")

Central Board of Film Certification ("CBFC") of the Ministry of Information and Broadcasting, Government of India has engaged Protean as the "Implementation Agency" for Design, Development, Implementation, Hosting and Maintenance of Online Film Certification Application Processing System and the CBFC website. This agreement was renewed on January 01, 2022 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, upload short films online 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, including screening of short films. This system also helped the Department to better the inter departmental user interfaces, reduce administrative hassles, increase efficiency, transparency and minimized need of in-person visits by the applicants (producers/agents) to CBFC Offices.

This system was made operational on March 27, 2017 and has so far generated more than 84238 certificates for Films of various categories. Digitization of old paper certificates issued by CBFC before the launch of this system was also undertaken and has been completed. These digitized certificates have been made available in the new system for internal reference.

5. Data & Allied Services

Your company will also be providing services related to KYC, Digital Customer on boarding, Credit Monitoring and Appraisal Services to banks and other Lending Institutions who have requested for the same through Protean.

Other services such as Video KYC, ITR verification, MCA data verification, employment verification, among others -. would also be provided to complete the entire gamut of Verification Services.

Account Aggregator: Your company will leverage its existing relationships with financial banking and financial sector organizations to offer account aggregator services that will help offer digitized financial services and promote greater financial inclusion.

Cloud Services: As an extension of our commitment to building population scale technology solutions and providing the necessary interventions for ecosystem creation, your company has launched made-in-India, high performance and energy-efficient Cloud Services.

Open Digital Market places: Your company also envisions to be one of the main contributors and enablers towards building of sustainable and innovative technology solutions ensuring inclusivity, ease of access and fair pricing structure. Open Digital Ecosystems would enable the government systems and private entities to collaborate for service delivery and allow various players to build new services and solutions which will coexist in this ecosystem.

ISO Certifications

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

Protean continues to hold ISO 27001:2013 Certification for TIN, PAN, CRA, Aadhaar Authentication and e-KYC Services and GST projects. This is an enhanced version of the Information Security Standards published by International Standards Organization ("ISO").

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

Your company is committed to deliver service to its customers on continuous basis, without interruption. Protean 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 20000-1:2018 Certification (IT Services Management Standard)

For effectively meeting the SLA requirements of the Regulator, your 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 your company and the volume of transactions, it is very important to maintain high service quality and on sustained basis. Towards this objective, your company has implemented ISO 9001 Standard for quality management of its TIN and PAN Processes.

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.

Protean was certified at Capability Maturity Model Integration for Services (CMMI SVC Version 1.3) - Level 5 for Central Recordkeeping Agency (CRA) – Subscriber Services and CRA Systems Infrastructure in March, 2020. 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.

Protean, by implementing high maturity process areas of CMMI SVC level 5, has affirmed its commitment to deliver best services to all its customers.

4. RISK MANAGEMENT

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. Monitoring of identified risks is done through Risk Appetite Statement and Consolidated Risk Register. Mitigation plans are drawn for breaches (if any) and reported to the Board through Risk & Opportunities Management Committee.

In the normal course of business, your Company is exposed to following risks as given in below table:

Risk	Impact	Mitigation
Economy risk	Sluggish growth or downfall in the economy can adversely impact the Company's performance.	Despite the second and third waves of the pandemic in 2021-22, the country's economy is set for a recovery during the fiscal year with the estimated GDP growth for the year being pegged at 8.9% compared to a contraction of 6.6% in 2020-21.
Regulatory risk	Frequent changes or non- compliance with the statutory norms and regulations may impact the reputation and operations of the Company.	Operating with numerous sensitive and confidential data, the Company adheres to all stringent compliances and regulations, and operates in line with the rules and regulations set forth by the regulators.
Cybersecurit y risk	Disclosure of confidential information can impact the operations of the Company.	The Company invests proactively in its information technology and keeping our security systems updated to ensure lesser exposure to such risks.
Client risk	Failure to deliver on client's expectations can impact the Company's ability to retain clients, thereby, adversely impacting revenues.	The Company is continuously strengthening its capability around data analytics, digital verification and due diligence. This, coupled with the Company's position of being a Pioneer and market leader in universal, citizen-centric and population scale e-governance solutions, helps it retail clients.

5. INTERNAL CONTROL SYSTEMS

The Company has a well-defined internal control system on the basis of the nature and size of the business. This system enables timely and accurate recording of all financial, commercial, and operational transactions. Further, the internal control systems also safeguard assets from unauthorised use and disposition, and ensure compliance to all applicable regulations. The adequacy of these systems is monitored by the Audit Committee on a periodic basis, following which, the Committee reports key observations to the management for corrective action.

6. 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 and to prescribe 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. Details of Vigil Mechanism is provided on your company's website: https://www.egov-Protean.co.in/ disclosures_notice.html

7. HUMAN RESOURCES

Being a people-centric organisation, the Company treats its employees as one of its most integral assets. The Company has a robust HR system and well-structured policies for the holistic development of this asset. The Company strives to achieve inclusive growth for its employees, thereby ensuring its goals are aligned with its employees. Further, the Company has a strong people policy aimed at recruiting the best talent, training the people, engaging with them continuously, and ensuring strong retention. As on 31 March 2022, the Company had a total strength of 438 employees.

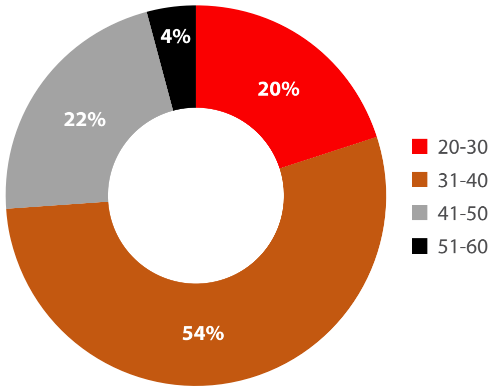
Your company emphasizes on the quality of its human resources as employees are vital for the organization. The Company has created favourable work environment and has set up a human resource management system, which enables it to retain and attract high caliber employees. Employee relations at all locations 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 new 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.

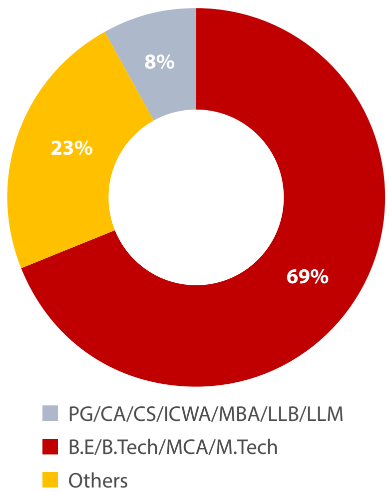
The Company also promotes family-friendly policies like Day Care and Work from Home which helps the employees in their work-life balance.

A good work-life balance for employees improves their motivation, reduces employees stress and increases employee retention.

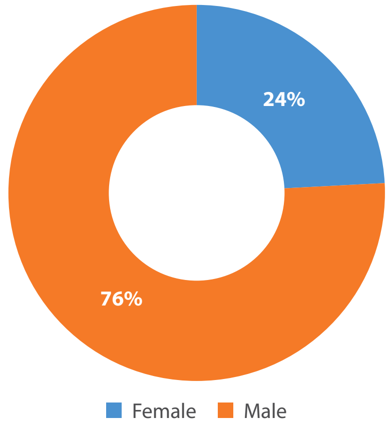
Age-group wise break-up



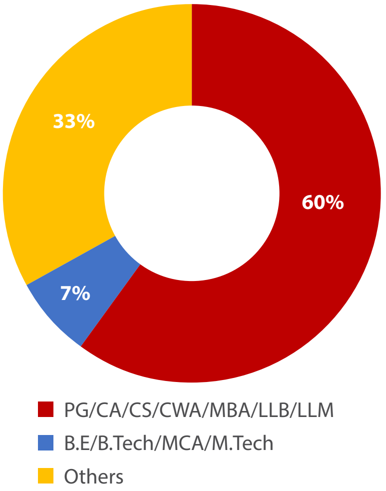
IT Systems



Gender Diversity



Business Operations



8. 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 Protean eGov Technologies Limited involves integrity, fairness, equity, transparency, trustworthiness, 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 these 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.

BOARD OF DIRECTORS

Our 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 and 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 the Managing Director & Chief Executive Officer (MD & CEO) who functions under the overall supervision and control of the Board.

A. Composition and size of the Board of Directors

Your company is managed and guided by a well-balanced Board comprising eminent persons with considerable professional expertise and experience in finance, accounting, legal, banking and other related fields. As on date, the Board comprises ten (10) Directors, out of which six (6) are Independent; and Two (2) are Non-Executive Directors other than the Managing Director & CEO and Whole Time Director & COO.

Board Procedures and Meetings

The Board also 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 the 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, nine (9) Board Meetings were held on May 7, 2021; June 23, 2021; August 4, 2021; August 17, 2021; October 11, 2021; December 3, 2021; December 23, 2021; February 22, 2022 and March 25, 2022 (adjourned and held on April 5, 2022).

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		Number of 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. Shailesh Haribhakti	Non-Executive, Chairman/Independent	9	9	9	9	5	5
2.	Ms. D.N. Raval	Non- Executive/ Independent	9	9	5	1	1	2
3.	Justice Nishita Mhatre (Retd.)	Non-Executive/ Independent	9	8	-	-	-	-
4.	Mr. A. P. Hota	Non-Executive/ Independent	9	9	5	3	4	1
5.	Mr. Karan Bhagat	Non- Executive Director	9	4	4	1	-	-
6.	Mr. Mukesh Agarwal	Non- Executive Director	9	9	7	-	1	-
7.	Mr. Suresh Sethi	Managing Director& CEO	9	9	-	1	-	-
8.	Mr. Jayesh Sule	Whole Time Director & COO	9	9	-	-	-	-

Notes:

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

Board level Changes

Board Level changes during the year are mentioned below:

- Mr. J. Ravichandran, (DIN: 00073736) Ceased to be Director w.e.f April 1, 2021
- Mr. Mukesh Agarwal (DIN: 03054853) appointed as Non-Executive Non-Independent Director w.e.f. May 7, 2021
- Appointment of Mr. Mukesh Agarwal, (DIN: 03054853) was regularised as Director (Non-Executive) w.e.f September 23, 2021.

Following appointments were made post April 1, 2022.

- Mr. Shailesh Kekre, (DIN: 07679583) appointed as an Additional Director in the category of Independent Director (Non – Executive) w.e.f. May 31, 2022.
- Mr. Lloyd Mathias, (DIN: 02879668) appointed as an Additional Director in the category of Independent Director (Non – Executive) w.e.f. June 28, 2022.

Following is the current composition of the Board as on June 28, 2022:

Sl. No.	Name	Category / Designation
1.	Shailesh Haribhakti	Independent Director
2.	Dharmishta N. Raval	Independent Director
3.	Justice Nishita Mhatre (Retd.)	Independent Director
4.	A. P. Hota	Independent Director
5.	Shailesh Kekre	Additional Director (Independent)
6	Mr. Lloyd Mathias	Additional Director (Independent)
7.	Mukesh Agarwal	Non-Executive Director
8.	Karan Bhagat	Non-Executive Director
9.	Suresh Sethi	Managing Director & CEO
10.	Jayesh Sule	Whole Time Director & COO

The Board of Directors of the Company comprises qualified members who bring in the required skills, expertise and competence that allows them to make effective contributions to the Board and its various Committees. The Board members are committed to ensuring that the Board of the Company is in compliance with the highest standards of corporate governance. The Board members are expected to possess the required qualifications, integrity, expertise and experience for the position.

The Company has received declarations from all the Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. Further, as required under rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 the Independent Director shall enroll his/her name in the databank, being maintained by the Indian Institute of Corporate Affairs (IICA) to qualify as an Independent Director. All the Independent Directors have enrolled their names in the databank and they have all furnished the declaration affirming their compliance with the relevant provisions of Companies (Appointment & Qualification of Directors) Rules along with the Declaration of Independence. In the opinion of the Board, all the aforesaid Independent Directors possess the requisite expertise and experience and are persons with integrity.

To recommend appointment of Director(s) as per Companies Act, 2013:

a) To recommend Directors retiring by Rotation to the Board:
In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Mukesh Agarwal (DIN : 03054853), Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself for re-appointment.

b) To recommend change in designation of Additional Director:
Mr. Shailesh Kekre (DIN: 07679583), who was appointed as Additional Director (Non- Executive) w.e.f May 31, 2022 for a period of three years and who holds office till the date of ensuing Annual General Meeting (AGM), is proposed to be appointed as an Independent Director (Non-Executive) in the Annual General Meeting (AGM), and whose office shall not be liable to retire by rotation, subject to approval of members.

c) To recommend change in designation of Additional Director:
Mr. Lloyd Mathias (DIN: 02879668), who was appointed as Additional Director (Non- Executive) w.e.f. June 28, 2022 and who holds office till the date of ensuing Annual General Meeting (AGM), w.e.f June 28, 2022 for a period of three years is proposed to be appointed as an Independent Director (Non-Executive) in the ensuing Annual General Meeting (AGM), and whose office shall not be liable to retire by rotation, subject to approval of members.

d) To re-appoint Mr. A. P. Hota (DIN: 02593219) as an Independent Director of the Company.
Mr. A. P. Hota (DIN: 02593219) who was appointed as an Independent Director w.e.f. September 16, 2019 for a period of three years, is proposed to be re-appointed as an Independent Director (Non-Executive) of the Company for a further period of five years w.e.f September 16, 2022 and he shall not be liable to retire by rotation.

All the above appointments/re-appointments have been recommended by the Nomination & Remuneration Committee and the Board.

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. Following are the details of the Committees of the Board:

- Audit Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee
- Risk & Opportunities Management Committee
- Stakeholders' Relationship 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 legal and other regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company and 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 along with 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 read with Clause 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the financial year under review, Audit Committee was chaired by Mr. Shailesh Haribhakti with Mr. A. P. Hota and Mr. Karan Bhagat as its members. Justice Nishta Mhatre (Retd.) ceased to be member of the Committee with effect from May 28, 2021.

At present, out of three members of the Committee two are Independent Directors. The Managing Director & CEO, Whole Time Director & COO, Chief Financial Officer, Chief Risk Officer and 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 the Secretary to the Audit Committee. During FY2021-22, six (6) meetings of the Audit Committee were held. Details of attendance of each director at the Committee Meetings held during the year are as follows:

Sr. No.	Name of the Member	No. of meetings held during the tenure	No. of meetings attended
1.	Shailesh Haribhakti	6	6
2.	Justice Nishita Mhatre (Retd.)*	1	1
3.	Karan Bhagat	6	1
4.	Abhaya Hota	6	6

**ceased to be member w.e.f. May 28, 2021*

B. Nomination & Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee with Ms. Dharmishta Raval as Chairperson and Mr. Shailesh Haribhakti, Mr. A. P. Hota and Mr. Karan Bhagat as members of the Committee. Out of the four (4) members, three (3) i.e Ms. Dharmishta Raval, Mr. Shailesh Haribhakti and, Mr. A. P. Hota are Independent Directors.

The terms of reference of the Committee are in line with the provisions of Section 178 of the Companies Act, 2013 read with Clause 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee identifies persons who are qualified to be co-opted as Directors and recommends to the Board for 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 the Managing Director & CEO and the 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 & Remuneration Committee. Details of attendance of each director at the Nomination & Remuneration Committee Meeting held during the year are as follows:

Sr. No.	Name of the Member	No. of meetings held during the tenure	No. of meetings attended
1.	Dharmishta N. Raval	6	6
2.	Shailesh Haribhakti	6	6
3.	A. P. Hota*	5	5
4.	Karan Bhagat	6	4

**Appointed as member w.e.f. May 7, 2021*

C. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee acts under the Chairmanship of Ms. Dharmishta N. Raval with Justice Nishita Mhatre (Retd.) and Mr. Suresh Sethi 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 the 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 an 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 during the tenure	No. of meetings attended
1.	Dharmishta. N. Raval	2	2
2.	Justice Nishita Mhatre (Retd.)	2	2
3.	Suresh Sethi	2	2

D. Risk & Opportunities Management Committee**

The Board at its meeting held on March 16, 2018 has constituted Risk Management Committee consisting of representatives of the Board. Details of attendance of each director at the Risk Management Committee Meetings held during the year are as follows:

Sr. No.	Name of the Member	No. of Meetings held during the tenure	No. of meetings attended
1.	Shailesh Haribhakti	3	3
2.	A. P. Hota	3	3
3.	Mukesh Agarwal*	3	3
4.	Karan Bhagat	3	1
5.	Jayesh Sule	3	3

**Appointed as member w.e.f. May 7, 2021*

***The Committee was re-named from Risk & Opportunities Management Committee to Risk Management Committee w.e.f. June 28, 2022*

E. Stakeholders' Relationship Committee

The Company constituted Stakeholders' Relationship Committee with effect from June 23, 2021 consisting of the following members:

1. Justice Nishita Mhatre (Retd.) – Chairperson;
2. Mukesh Agarwal – Member;
3. Jayesh Sule – Member

F. 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 on March 23, 2022 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 meeting of Independent Directors was chaired by Justice Nishita Mhatre (Retd.), the Lead Independent Director.

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

The 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. Further, members are expected to possess the required qualifications, integrity, expertise and experience (including proficiency) of the independent directors' position 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 and Rule 6 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.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, an annual performance evaluation of the Board as a 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 per the provisions of the Section 178(2) of the Companies Act, 2013, the Nomination & Remuneration Committee has carried out evaluation of every director's performance;
- As required under Schedule IV of the Companies Act, 2013, 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; and

- As per section 134(3)(p) read with Schedule IV of the Companies Act, 2013, the entire Board has carried out the annual evaluation of their own performance and that of its Committees and individual directors.

A separate meeting of the Independent Directors was held on March 23, 2022 to review the performance of Non-Independent Directors and the Board, taking into account the views of Directors. The performance of the Independent Directors was evaluated by the entire Board except the person being evaluated. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Board carried out the evaluation of their own performance and that of its Committees and individual Directors keeping in mind the inputs received from the review by the Independent Directors.

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 its directors, key managerial personnel and other employees. The Board approved Remuneration Policy is uploaded on the website of the Company at: https://www.proteantech.in/disclosures_notice.html

During FY 2017, your company introduced NSDL e-Governance Infrastructure Limited – Employee Stock Option Plan 2017 [Pursuant to name change of the Company from NSDL e-Governance Infrastructure Limited to Protean eGov Technologies Limited, the title of the existing ESOP Scheme was changed to "Protean eGov Technologies Limited Employee Stock Option Plan- 2017"] as amended by the shareholders by passing Special Resolution at their meetings held on December 3, 2020 and September 23, 2021 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 and subsequently to eligible employees at an exercise price of ₹ 310/- per share. These stock options vested after the expiry of one year from the date of grant and can be exercised as per grant conditions for respective employees from the date of vesting at the exercise price and payment of perquisite tax. Pursuant to exercise of stock options by employee of the Company, the Board at its meeting held on August 17, 2021, approved the allotment of 1,27,668 equity shares and at its meeting held on February 22, 2022 approved the allotment of 1,16,946 equity shares in accordance with the terms of ESOP Scheme, 2017.

During FY2021-22, the members at Annual General Meeting (AGM)held on September 23, 2021 increased the ESOP pool under the ESOP Scheme from 5 lakhs (1.25%) to 26 lakhs (aggregating 6.50%) of the original issued share capital of ₹ 40 Crores comprising of 4 Crore shares. Further, the Nomination & Remuneration Committee at its meeting held on November 18, 2021 approved granting 38,240 options at face value of ₹ 10/- per equity share i.e. exercise price which will be vested after one year from the date of grant to the employees i.e. November 18, 2021. Relevant disclosures under the Companies Act, 2013 on Employee's Stock Option is set out as **Annexure – C** and forms part of this report.

9. SHAREHOLDING PATTERN

Shareholding Pattern as on 31 March 2022 is as follows:

Sr. No.	Name of the Shareholder	Number of Shares held	Percentage (%) (rounded off to two decimals)
1.	NSE Investments Limited	10,018,000	24.81
2.	IIFL Special Opportunities Fund	2,894,507	7.17
3.	Administrator of the Specified Undertaking of the Unit Trust of India – DRF	2,732,000	6.77
4.	IIFL Special Opportunities Fund – Series 4	2,499,178	6.19
5.	IIFL Special Opportunities Fund – Series 2	2,016,366	4.99
6.	State Bank of India	2,000,000	4.95
7.	HDFC Bank Ltd.	2,000,000	4.95
8.	AXIS Bank Limited	2,000,000	4.95
9.	Deutsche Bank A.G.	2,000,000	4.95
10.	IIFL Special Opportunities Fund – Series 5	1,947,396	4.82
11.	IIFL Special Opportunities Fund – Series 7	1,663,166	4.12
12.	Citicorp Finance India Ltd.	1,250,000	3.10
13.	HSBC Ltd.	1,250,000	3.10
14.	Standard Chartered Bank	1,250,000	3.10
15.	Punjab National Bank (After Oriental Bank of Commerce merger)	913,000	2.26
16.	Union Bank of India	1,125,000	2.79
17.	IIFL Special Opportunities Fund – Series 3	933,293	2.31
18.	Bank of Baroda (After Dena Bank merger)	625,000	1.55
19.	Canara Bank	500,000	1.24
20.	Soach Global Digital Infrastructure Holdings Limited	337,000	0.83
21.	IIFL Special Opportunities Fund – Series 6	46,094	0.11
22.	ESOP shareholders	3,84,076	0.95
	TOTAL	**40,384,076**	**100.00**

10. GENERAL BODY MEETINGS

The details of the Annual General Meetings ("AGM")/ Extra-Ordinary General Meetings ("EGM") held during the last three years are given below:

AGM/EGM	Date	Venue
24th AGM	September 16, 2019	Times Tower, 1st Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013
Extra-Ordinary General Meeting	March 6, 2020	Times Tower, 1st Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013
25th AGM	September 18, 2020	Times Tower, 1st Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 (through video conferencing)
Extra-Ordinary General Meeting	December 3, 2020	Times Tower, 1st Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 (through video conferencing)
26th AGM	September 23, 2021	Times Tower, 1st Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 (through video conferencing)
Extra-Ordinary General Meeting	October 28, 2021	Times Tower, 1st Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 (through video conferencing)
Extra-Ordinary General Meeting	April 11, 2022	Times Tower, 1st Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 (through video conferencing)

The Twenty Seventh (27th) Annual General Meeting of your company is scheduled to be held on Monday, September 12, 2022 at 4 p.m. IST at the registered office of Protean eGov Technologies Limited, Times Tower, 1st Floor, Kamala Mills Compound, Lower Parel, Mumbai– 400013 through Video Conferencing (VC)/Other Audio Visual Means (OAVM) in compliance with the provisions of the Companies Act, 2013 and the Rules made thereunder read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2000 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 10/2021 dated June 23, 2021 and 02/2022 dated May 5, 2022, issued by the Ministry of Corporate Affairs.

11. GENERAL SHAREHOLDER INFORMATION

- **Company Registration details:**

  During FY2021-22, the name of the Company was changed from 'NSDL e-Governance Infrastructure Limited' to 'Protean eGov Technologies Limited' *vide* fresh Certificate of Incorporation dated December 8, 2021 issued by the Registrar of Companies, Mumbai.

  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:** From April 1 to March 31.
- **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.
- **Branch offices**

  The Company's branch offices are located at New Delhi, Kolkata, Chennai and Ahmedabad.

New Delhi	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 Commercial Complex 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 at:

Protean eGov Technologies Limited
(formerly NSDL e-Governance Infrastructure Limited)
Times Tower, 1st Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013
Tel.: (022) 4090 4242
E-mail ID: cs@proteantech.in
Website: www.proteantech.in
CIN: U72900MH1995PLC095642

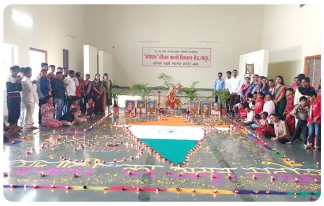
Shareholders are requested to intimate any changes pertaining to their bank account details, e- mail address, Power of Attorney, change of name, change of address, their contact details among others to their respective Depository Participants (DP).

12. CORPORATE SOCIAL RESPONSIBILITY

Your company has been making contributions to socially useful projects since year 2007. In accordance with the provisions of the Companies Act, 2013 the Company has constituted the Corporate Social Responsibility ("CSR") Committee of the Board and has adopted a CSR Policy, duly approved by the Board, which inter-alia provides detailed guidelines about the CSR activities which can be undertaken by the Company. The Committee reviews the CSR Policy periodically, and recommends changes in accordance with relevant provisions of the Companies Act,2013 as amended from time to time, for approval of the Board, recommends the amount of expenditure to be incurred on the activities, in line with annual CSR obligation, recommends projects to be undertaken during the year and monitors and reviews the progress of the projects being implemented from time to time. 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 , and
- Promoting gender equality and empowering women.

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




13. 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 for the financial year ended 31 March 2022, 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 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 have ensured that the annual accounts are prepared on a going concern basis;

e) 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.

f) 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;

14. OTHER DISCLOSURES

i (A) SUBSIDIARY

a) NSDL e-Governance (Malaysia) Sdn. Bhd.

Your company had 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 neighbouring countries. The said subsidiary is in the process of winding-up.

b) Protean eGov Technologies Australia Pty Ltd. (formerly known as NSDL e- Governance Australia Pty Ltd.)

Your company has incorporated a wholly-owned subsidiary company in Australia in FY2020-21, in the name NSDL e-Governance Australia Pty Ltd (name changed w.e.f. January 25, 2022). The purpose of setting up this subsidiary is to design, develop, manage, and implement e-Governance projects through efficient use of information and communication technologies in Australia and other neighbouring countries.

c) NSDL e-Governance Account Aggregator Limited

Account aggregation is an initiative of the Government under the aegis of RBI to facilitate aggregation of customers' assets and deliver reporting services that can help spread financial services. Your company has incorporated a wholly-owned subsidiary Company in the name NSDL e-Governance Account Aggregator Limited which has received in-principle approval from RBI on October 27, 2021.

Operations will commence following receipt of final certificate of registration.

d) Protean Infosec Services Limited (formerly known as NSDL e-Governance InfoSec Services Limited)

During FY2021-22, your company has incorporated a wholly-owned subsidiary in the name NSDL e- Governance InfoSec Services Limited for providing Cyber Security Consulting and Advisory services. The name of the wholly-owned subsidiary was changed to 'Protean InfoSec Services Limited' with effect from February 24, 2022.

i (B) ASSOCIATE

Open Network for Digital Commerce (from December 30, 2021 up to March 08, 2022)

During FY2021-22, your company invested in first tranche of ₹ 5 Crores (33%) as initial capital contribution in Open Network For Digital Commerce, a Company incorporated under Section 8 of the Companies Act, 2013 by Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. Further, the Company invested in second tranche of ₹ 5 Crores, aggregating to ₹ 10 Crores (6.35 % as on 31 March 2022) as capital contribution.

Open Network for Digital Commerce (ONDC) is an autonomous, self-financing section-8 company which is first-of-its-kind initiative globally for reimagining digital commerce in India and establishing it as a global pioneer. The Company functions as a digital backbone of such an open network by developing open protocols based on open source specifications, establishing registries, enabling wide scale participation by the ecosystem players through a gateway and rolling out reference applications for market activation.

The financials of the subsidiary companies are made available and consolidated in terms of the requirements of Section 129(3) of the Companies Act, 2013. Pursuant to provisions of Section 129(3) of the Companies Act, 2013 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-Sixth (26th) Annual General Meeting of the Company held on September 23, 2021 have re-appointed M/s. BSR & Associates LLP, Chartered Accountants, [ICAI Registration Number 116231W/ W-100024] as Statutory Auditors of the Company to hold office for a period of five years from FY 2021-22 till the conclusion of AGM to be held in the year 2026.

Further, the Auditors' Report from Statutory Auditors does not contain any qualifications, reservations or adverse remarks. The report of the Statutory Auditor forms part of the financial statements.

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 for the Financial Year 2021-22. The Secretarial Audit Report for FY2021-22 is annexed herewith as **Annexure - B** and forms part of this report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks. 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. M/s Deloitte Touche Tohmatsu India LLP, Chartered Accountants, have been re-appointed as Internal Auditors for a period of two years from FY2021-22. 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.

d) COST AUDITORS:

The provision of section 148(1) of the Companies Act, 2013 read with Rules made thereunder pertaining to maintaining the cost records do not apply to the Company.

iii) PUBLIC DEPOSITS

The Company has not invited, accepted or renewed any deposits from the public within the meaning of Section 73 of the Companies Act, 2013. Accordingly, the requirement to furnish details relating to Deposits covered under Chapter V of the Companies Act, 2013 does not arise.

iv) RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered into during FY with related parties were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of 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.

All Related Party Transactions are placed before the Audit Committee for its approval. The transactions with related parties are also reviewed by the Board on periodic basis.

The details of the transaction pertaining to FY2021-22 is set out in the Form 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 the Data Centre site in Pune. The Solar PV system at Data centre site in Pune has generated 25,205 units in FY2021-22.

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

Foreign Exchange earnings/outgo during the year under review:

Sr. No.	Particulars	FY 2021-22 (in Million)	FY 2020-21 (in Million)	FY 2019-20 (in Million)
1.	Foreign Exchange Earnings	NIL	NIL	NIL
2.	Foreign Exchange Outgo/Expenditure incurred in foreign currency	5.98	0.79	15.48

vi) ANNUAL RETURN

As per the provisions of Section 92(3) read with section 134(3)(a) of the Companies Act, 2013 and the rules made thereunder, Annual Return for the financial year ended on 31 March 2022 in prescribed Form No. MGT-7 is available on the website of the Company on: https://www.proteantech.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 investments made during the year are in accordance with the provisions of the Companies Act, 2013. The particulars of Investments made during FY are set out in the Notes to Accounts which form part of this Annual Report.

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 WORKPLACE (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.

There were no complaints received during the year 2021-22. Awareness program for all employees was conducted during the year.

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

xii) ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) OBJECTIVES

The foundation of effective ESG management rests on robust and transparent governance and integration of these considerations into the way we conduct business. The Company has aligned ESG with its overarching strategy and embedded it into risk management framework and service offerings.

The Board is also committed to strong sustainability practices which includes all the ethical, environmental and corporate social responsibility principles supported by a robust governance structure.

The detailed report on Environmental, Social and Governance ('ESG') objectives is annexed herewith as **Annexure - D**.

xiii) 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 projects mentioned below:

a. Tax Information Network(TIN)

b. Central Recordkeeping Agency(CRA)

c. National Judicial Reference System(NJRS)

d. Aadhaar authentication and e-KYCservices

e. e-sign Services to Application Service Providers

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 and the policies are as under:-

- Directors & Officers Liability policy
- Cyber Risk 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.

xiv) PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

MCA vide Companies (Accounts) Amendment Rules, 2021, effective from April 01, 2021 has amended the rule 8 with respect to the disclosure of details of an application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of FY. Your Company wishes to inform that there is no such application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 with respect to your Company during FY'22.

xv) DIFFERENCE IN AMOUNT OF THE VALUATION

MCA vide Companies (Accounts) Amendment Rules, 2021, effective from April 01, 2021 has amended the rule 8 with respect to the disclosure of details of the difference between the amount of the valuation done at the time of one time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof. Your Company would like to inform that the same was not applicable as there was no such instance of either settlement or loan from Bank or Financial Institution during the year under review.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

CAUTIONARY STATEMENT

The Board Report contains statements which are made on behalf of the company and are based upon the knowledge and information available to the Directors at the time of making of this report.

APPRECIATION

Our Directors are grateful for the support and co-operation extended by the Government of India, Reserve Bank of India, Ministry of Finance, Ministry of Corporate Affairs, Ministry of Education, Ministry of Information and Broadcasting, Pension Fund Regulatory and Development Authority (PFRDA), Central Board of Direct Taxes, Central Board of Indirect Taxes and Customs (CBIC), 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 Centres, Points of Service, Enrolment Agencies, Consultants, Suppliers and Bankers. Our 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.

The Directors wish to express their gratitude to our valued Members for their continued trust and support. The Directors also express their sense of appreciation to the employees for their tireless efforts for making this organisation a success.

For and on behalf of the Board of Directors of
Protean eGov Technologies Limited
(formerly NSDL e-Governance Infrastructure Limited)

Sd/-
Place: Mumbai **Shailesh Haribhakti**
Date: June 28, 2022 Chairman (DIN: 00007347)

Annexures

ANNEXURE - A

THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited) believes in providing efficient and cost effective services to the users of the system and it endeavours to make a positive impact not only on the lives of its employees and immediate stakeholders but also over the society to the extent feasible and is strongly committed towards Corporate Social Responsibility (CSR). The company has been making contributions to various socially useful projects since 2007. The Board of Directors of Protean eGov, in order to have a structured approach towards CSR, have formulated CSR Policy as prescribed under the Companies Act, 2013 and Rules notified thereunder by the Ministry of Corporate Affairs and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
	Ms. Dharmishta Raval	Chairperson, Independent Director	2	2
	Justice Nishita Mhatre (Retd.)	Independent Director	2	2
	Mr. Suresh Sethi	Managing Director & CEO	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

   Company Website: www.proteantech.in

   Composition of CSR Committee:https://www.proteantech.in/corporate_governance.html

   CSR Policy & CSR projects approved by the Board: https://www.proteantech.in/csr.html

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). – **Not Applicable for the financial year under review**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1	FY' 2021-2022	8,47,000	8,47,000

6. Average net profit of the company as per section 135(5) - ₹ **153,10,80,194**/-

7. a) Two percent of average net profit of the company as per section 135(5) – ₹ **3,06,21,604**/-

   b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – ₹ **8,47,000/-**

   c) Amount required to be set off for the financial year, if any – ₹ **510**

   d) Total CSR obligation for the financial year (7a+7b- 7c) – ₹ **2,97,74,604**/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,97,75,114	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area* (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation- Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
1.	Prime Minister's National Relief Fund	Activity (viii) – Contribution to the Prime Minister's National Relief Fund	N.A.	Pan India	Pan India	86,17,000	No	Not Applicable	Not Applicable
2.	NPSS Dialysis and T.B. Medicine related services	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	50,00,000	No	Nana Palkar Smruti Samiti	CSR00001230
3.	Sanvedna Cerebral Palsy Project	Promoting health care including preventive health care Promoting education including special Education	Yes	Maharashtra	Latur	28,62,000	No	Rashtriya Swayamsevak Sangh JanKalyan Samiti (Maharashtra Prant)- through Sanvedna Trust	CSR00006244
4.	Sant Gadgebaba Arogya Kendra Slum Health Care Project	Providing primary health care and health education services including special education	Yes	Maharashtra	Aurangabad	19,78,372	No	Babasaheb Ambedkar Vaidyakiya Pratishthan	CSR00000181
5.	Sanganak Pradnya	Providing primary health care and health education services including special education	Yes	Maharashtra	Aurangabad	5,71,720	No	Babasaheb Ambedkar Vaidyakiya Pratishthan	CSR00000181
6.	Guruvarya Lahuji Salve Slum Health Center	Providing primary health care and health education services including special education	Yes	Maharashtra	Aurangabad	25,26,022	No	Babasaheb Ambedkar Vaidyakiya Pratishthan	CSR00000181
7.	Vidya Saarthi Scholarship	Promoting Education	Yes	Maharashtra	Mumbai	82,20,000	No	Tata Institute of Social Sciences	CSR00003475
	TOTAL					**2,97,75,114**			

**The Company having Registered office in Maharashtra, considers the state as local area for CSR*

(d) Amount spent in Administrative Overheads **- NIL**

(e) Amount spent on Impact Assessment, if applicable – **Not Applicable for FY'22**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ **2,97,75,114/-**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	3,06,21,604
(ii)	Total amount spent for the Financial Year	3,06,22,114
(iii)	Excess amount spent for the financial year [(ii)-(i)]	510
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	510

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

a) Date of creation or acquisition of the capital asset(s) – **Not Applicable**

b) Amount of CSR spent for creation or acquisition of capital asset – **Not Applicable**

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – **Not Applicable**

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) – **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – **Not Applicable. The Company has complied with its CSR obligation for FY'22.**

Suresh Sethi
Managing Director & CEO
DIN : 06426040

Dharmishta Raval
Chairperson - CSR Committee
DIN : 02792246

ANNEXURE - B
FORM NO. MR- 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2022

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

To,
The Members,
Protean eGov Technologies Limited
(Formerly known as 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 **Protean eGov Technologies Limited** (formerly known as 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/ statutory compliances 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, 2022**, 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, 2022** 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") :

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – **Not Applicable as there was no reportable event during the period under review** ;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Applicable with effect from 24th December, 2021, the date of filing Draft Red Herring Prospectus with SEBI and BSE Limited for listing its Equity Shares ;**

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Applicable with effect from 24th December, 2021, the date of filing Draft Red Herring Prospectus with SEBI and BSE Limited for listing its Equity Shares;**

d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12th August, 2021) and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021);

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (up to 15th August, 2021) - **Not Applicable as the entity has not issued and listed debt securities during the period under review;**

f) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 (with effect from 16th August, 2021) - **Not Applicable as the entity has not issued and listed Non-Convertible securities during the period under review;**

g) 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 - **Not Applicable as the entity is not registered as Registrar to Issue and Share Transfer Agent during the period under review;**

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (up to 9th June, 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June, 2021) - **Not applicable as the securities were not listed with the Stock Exchanges during the period under review;**

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable as the securities were not listed with the Stock Exchanges during the period under review;**

j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - **Not Applicable as the securities issued by the entity were not listed with the Stock Exchanges during the period under review**

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) Aadhaar (Targeted Delivery of Financial and other subsidies, Benefits and Services) Act, 2016 and applicable provisions of Aadhaar (Authentication) Regulations, 2016 and other Regulations notified under Aadhaar Act, 2016 as amended;

c) Information Technology Act, 2000 and applicable provisions of Information Technology (Certifying Authorities) Rules, 2000 and Electronic Signature or Electronic Authentication Technique and Procedure Rules, 2015 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 Meetings (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 any 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 Women Directors. 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/ Committee Meetings, agenda and detailed notes on agenda were sent seven days in advance and wherever necessary at shorter notice, with the consent of all the Directors 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, following major events, having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., have taken place:

1) The Company has adopted new set of Articles of Association of the Company which was approved by the members at the Annual General Meeting held on 23rd September, 2021;

2) The Members at the Annual General Meeting held on 23rd September, 2021 approved:
    - increase in the ESOP Pool from 5,00,000 Options to 26,00,000 Options in the NSDL e-Governance Infrastructure Limited – Employee Stock Option Plan 2017 ("ESOP 2017" / "Plan").
    - the amendments to the NSDL e-Governance Infrastructure Limited Employee Stock Option Plan-2017 ("ESOP Scheme").

3) The Company has incorporated a wholly-owned subsidiary in the name and style of **"Protean Infosec Services Limited"** with an initial investment of ₹ 8 crore for providing Cyber Security Consultancy and Advisory Services.

4) The Company has initiated the process of liquidation of its foreign subsidiary - NSDL e-Governance (Malaysia) SDN BHD ("NSDL Malaysia").

5) The name of the Company has been changed from **NSDL E-Governance Infrastructure Limited** to **Protean eGov Technologies Limited** w.e.f. 8th December, 2021 with consequential alteration to the Memorandum of Association and Articles of Association of the Company;

6) The Company has filed Draft Red Herring Prospectus with Securities and Exchange Board of India, on 24th December, 2021 to undertake an Initial Public Offer of upto 12,080,140 equity shares by way of an Offer For Sale by certain existing shareholders of the Company.

This 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
ICSI Unique Code: P1991MH040400
Peer Review Cert. No. : 606/2019

S. N. Ananthasubramanian Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206D000521118

23rd June, 2022 | Thane

ANNEXURE - A

To,
The Members,
Protean eGov Technologies Limited
(Formerly known as NSDL e-Governance Infrastructure Limited) CIN: U72900MH1995PLC095642
Times Tower, 1st Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013

Our Secretarial Audit Report for the Financial Year ended 31st March, 2022 of even date is to be 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 have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.

4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.

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

DISCLAIMER

7. We have conducted our Audit remotely, based on records and information made available to us through electronic platform by the Company, due to Covid-19 pandemic induced lockdown and restrictions/ work from home poicy of the Company in place, for the purpose of issuing this Report.

8. 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.

9. 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
ICSI Unique Code: P1991MH040400
Peer Review Cert. No. : 606/2019

S. N. Ananthasubramanian
Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206D000521118

23rd June, 2022 | Thane

ANNEXURE - C

Report on Fair Valuation, Amortization of Compensation Cost
And
Disclosures of Employee Stock Options of Protean eGov Technologies Limited

CONFIDENTIALITY AND DISCLAIMER

Access to this document should be restricted only to personnel of Protean eGov ("the Company") and their auditors with a need to know. The client shall be solely responsible for the disclosure of any confidential information made by any person who had access to the said confidential information through or under the trust of the client. No part of it may be published, circulated, quoted or reproduced for perusal, outside the client organization, without prior written approval from KP Capital Advisors Pvt. Ltd.

This report is based on the information and data provided by the Company for the purpose of this report. KP Capital Advisors Pvt. Ltd. assumes no responsibility of any kind and makes no warranties of any kind, whether express or implied, as to the accuracy or completeness of the information provided by the Company. This report does not constitute an audit or certification of the Company's option plan and financials. Also, that the report is issued on the understanding that the Company has drawn our attention to all the relevant matters, of which it was aware concerning the Company's option plan and business which may have an impact on our report.

ABOUT THE REPORT

Protean eGov ("the Company") has granted Employee Stock Options to its employees. The scope of this report is to calculate the fair value of the said options granted under the ESOP Scheme of the Company and includes the following -

1. Computation of the fair value of the options using the Black Scholes Option-pricing model granted under the ESOP Scheme.
2. Computation of the compensation cost (based fair value of the options granted) for the financial year ended 31 March 2022.
3. Disclosures as required under the Companies Act 2013 and/or disclosures in notes to Accounts as required by ICAI guidance note

The report also details the variables used for the calculation of fair value and compensation cost along with the rationale behind them.

1. INTRODUCTION AND METHODOLOGY

The SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (hereinafter referred to as "SEBI Regulations") recommend calculation of the fair value of options using the Black- Scholes Options Pricing Model or any other option pricing model. Since the Black- Scholes model has been widely used globally for valuing employee stock options, we have used the same model for the purpose of our calculations.

The Black-Scholes model requires the consideration of certain variables such as volatility, risk free rate, expected dividend yield, expected option life, market price and exercise price for the calculation of fair value of the option. These variables significantly influence the fair value and any change in these variables could significantly affect the fair value of the option.

The variables that influence the fair value of the option and the impact of changes in those underlying variables on the option value are presented below.

Underlying Variable	Change in Variable	Change in Option Value
Exercise price	Increases	Decreases
Market price	Increases	Increases
Current expected dividend yield	Increases	Decreases
Risk-free rate of return	Increases	Increases
Expected option life*	Increases	Increases
Volatility of the stock	Increases	Increases

** Expected option life as distinguished from the maximum option life.*

Table 1: Correlation between the variables and Fair Value

We have explained our rationale behind the assumptions made for the purpose of the calculation of fair value later in this report.

2. COMPUTATION OF THE COMPENSATION COST

The total compensation under Fair Value method for the year ended 31 March 2022 is ₹. 1,91,99,975

Assumptions -

1. We have relied on the information provided by the company for the number of options granted, cancellations and expirations and exercised.

3. 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 –

Sr. No.	Particulars	Employee Stock Option Plan 2017 ("ESOP 2017")
I.	**Details of the ESOS**	
1	Date of Shareholder's Approval	Approved on December 4, 2017, December 3, 2020 and September 23,2021
2	Total Number of Options approved	26,00,000
3	Vesting Requirements	25%/33%/50% of the options granted will vest every year starting from one year from date of grant
4	ExercisePrice or Pricing formula (₹)	At FMV as per independent valuer's report
5	Maximum term of Options granted (years)	7 years
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	2,92,719
2	Options Granted during the year	38,240
3	Options Forfeited / lapsed during the year	3,089
3A	Options adjusted for accumulating rounding off difference	0
4	Options Vested during the year	1,02,393
5	Options Exercised during the year	2,44,614
6	Total number of shares arising as a result of exercise of options	2,44,614
7	Money realised by exercise of options (₹)	7,58,30,340
8	Number of options Outstanding at the end of the year	83,256
9	Number of Options exercisable at the end of the year	27,196
III	**Weighted average exercise price of Options granted during the year whose**	
(a)	Exercise price equals market price	NA
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	10.00
	Weighted average fair value of options granted during the year whose	
(a)	Exercise price equals market price	NA
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	616.02
The weighted average market price of options exercised during the year		

Sr. No.	Particulars	Employee Stock Option Plan 2017 ("ESOP 2017")
IV	**Employee-wise details of options granted during the financial year 2021-22 to:**	
	(i) Senior managerial personnel :	

Name	No. of options granted
Mr. Suresh Sethi - MD & CEO	1500
Mr. Jayesh Sule - WTD & COO	1500
Mr. Tejas Desai - CFO	500
Mr. Maulesh Kantharia - CS	200

(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
NIL	

(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
NIL	

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	4.72%
2.	Expected Life	2.50
3.	Expected Volatility	78.12%
4.	Dividend Yield	1.39%
5.	Price of the underlying share in market at the time of the option grant (₹)	647.00

Assumptions:

Stock Price: Share price is taken as informed by the Company

Volatility: The historical volatility of peer companies, 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 maturity equal to the expected life of the options based on the zero-coupon yield curve for

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 Last declared dividend before date of grant for 1 financial year.

Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	35.73
Expense on Employee Stock Option Scheme debited to Profit & Loss during the FY 2021-22 (in crores)	1.92

ANNEXURE - D

PROTEAN EGOV ESG / IMPACT JOURNEY

Protean eGov Technologies Limited, has always demonstrated that it conducts its business assuming responsibility towards all the three ESG principles. Protean has a serious commitment to achieve Net Zero state while effecting and enhancing its business. Further, it continues to strive towards creation of positive social and environmental impact through effective governance practice in its multiple business initiatives. The company also demonstrates a healthy, compliant, transparent and accountable corporate culture, indicative of good corporate governance.

4P ESG Model/Factors

- Product – Impact of product development procedure/ service offerings
- People – Social impact of business activities
- Planet – Environmental impact of business activities
- Policy – Governance impact on all stakeholders

The 4P ESG Impact Assessment

An unique 4P Impact Assessment Model has been adopted. This model provides holistic measurement framework for assessing the parameters and is based on the four factors crucial for making an impact. The impact assessment is based on 341 individual Key Performance Indicators (KPI's) in alignment with the nine principles of the National Guidelines on Responsible Business Conduct (NGRBC) under the Ministry of Corporate Affairs.

A comprehensive assessment exercise was undertaken and we take pride in mentioning that our first Impact Report has been prepared and published. We have some encouraging insights during this assessment where we also became aware of the potential focus areas where more can be done. Protean had always been very sensitive about the way it designs its products and builds delivery models. We have been able to reconfirm this during our assessment. We have been doing well with respect to Product Impact measured against the "Product" KPIs of the 4P Model. We are encouraged to do better in coming years. We have also observed that we fare very well with respect to People KPI and have identified specific areas where we may get opportunity to do better. Unlike some other sectors, we have limited scope and opportunity to make a huge impact when it comes to the KPIs of Planet (Environment). However, we have realised that whatever positive impact we already have on the Planet factors, we need to have proper measurement metric and track to ensure that the trend is always moving upward. Few small initiatives which, when put together, could create noticeable positive Impact. We will always be very responsible about our business conduct amongst others when it comes to offering a better 'Planet' and environment for future generations. We have taken measures to set-up a formal environmental management practice with focused goal of reducing our carbon foot print and identifying alternative methods to neutralise where we cannot reduce owing to the needs of business. Being a sensitive organisation towards the way we govern your company and business while taking care of our responsibility towards our work-force. As well as community, we have also fared well on the KPIs of 'Policy' and Governance. However, with our urge to do more, we are further improvising through certain concrete initiatives like Secondary Parental Leave Scheme, improvisation in our Employee Feedback ratings through neutral platform systematic survey exercises, among others. A strong leadership steering committee has been constituted to ensure necessary overview and required guidance to create overall positive Impact. We have also initiated higher level of impact awareness drive at all levels within the organisation, with the objective to enhance our ESG / Impact Posture and offer equal and fair opportunity of contribution to all associated with our organisation.

Impact report

Responsible and sustainable business development is enabled by keeping a close watch on the environmental data on biodiversity, energy, emissions, water and waste, and the social impact generated by the company. We are motivated to do more when we observe that our voluntarily assessed compliance status against the Business Responsibility and Sustainable Reporting (BRSR) requirements of Securities Exchange Board of India (SEBI) are at a very good level. However, we would derive satisfaction, when we are able to publish the same with 100% compliance.

Focus Areas

Aligned with the prevalent good practice, we have established our Sustainability Materiality Matrix considering the formal feedback given by our external and internal stake holders. Ten focus areas have been identified through this exercise and our initiatives will also be priortised accordingly.

Given below are the identified ten focus areas to enhance our alignment with ESG principles and UN Published Sustainable Development Goals (SDG's):

1. Data Security and Privacy
2. Customer Satisfaction
3. Corporate Governance
4. Talent Management & Development
5. Sustainable Innovation
6. Employee Health Safety & Well-being
7. Community Building
8. Economic Inclusion
9. Diversity & Inclusion
10. Waste Management

The currently aligned SDG's are as follows :

- SDG 3 – Good Health & Well-being
- SDG 4 – Quality Education
- SDG 5 – Gender Equality
- SDG 8 – Decent Work & Economic Growth
- SDG 9 – Industry, Innovation & Infrastructure
- SDG 10 – Reduced Inequalities
- SDG 12 – Responsible Consumption & Production
- SGD 17 – Partnership for the Goals

Net Zero Commitment (Carbon Neutrality)

We aim to continually reduce our carbon footprints and achieve Net Zero state of doing business by 2026. A five-pronged strategy has been developed towards this end. It involves –

- **Measurment** – Identifying parameters and duration of Green House Gases (GHG) measurement
- **Transition** – Switching to clean energy sources and using vehicles powered by electricity instead of fossil fuels
- **Programs** – Initiatives to improve energy efficiency and optimal use of natural resources. Undertaking projects to negate carbon emissions through tree plantation, reforestation, water/soil treatment among others.
- **Monitoring** – Periodic reporting, adhering to standards and trend assessment of progress, path correction at early stage of any lapses or impact due to business changes
- **Benchmarking** – Identifying the local/global Net Zero goals and progress made by various public / private bodies and evaluating our progress against the same

We are committed to undertake the above approach and set-up granular level steps to achieve this desire of attaining Net Zero state by the completion of calendar year 2026. We will deploy all necessary resources to endeavour that we fulfil our promise to our stakeholders in creating a positive Impact every year now onwards

ANNEXURE - E

Pursuant to Section 197 of the Companies Act, 2013

Name and Qualifications	Age	Designation	Remuneration Received (Rs.)	Number of shares/ Percentage of equity shares held by the employee in the company	Experience (No. of years)	Date of commencement of employment	Last Employment and Designation
Mr. Suresh Sethi B.E. (Electronics) MBA - Delhi University	57 years	Managing Director & CEO	4,16,38,212	40,000 (0.10%)	36	July 15, 2020	CEO & MD of India Post Payments Bank
Mr. Jayesh Sule B.Com., F.C.A.	59 years	Whole Time Director & COO	3,81,53,537	41,097 (0.10%)	38	July 29, 1996	Asst. Vice President, NSEIL
Mr. Amit Sinha B.Sc, MBA (Marketing)	56 years	Group Head – Social Security & Welfare & Executive Vice President	1,31,31,614	15,334 (0.04%)	31	March 01, 1997	Manager - Operations, Stock Holding Corporation of India Ltd
Mr. Milind Mungale B.Sc, PGDCA, CISA, CISM	55 years	Chief Impact Officer and (CISO) & Executive Vice President	1,29,98,797	13,500 (0.03%)	35	September 14, 1996	Manager - Systems, Lok Infotech Pvt Ltd

- Remuneration includes basic pay, other allowances, leave travel allowances, performance linked incentive, company's contribution to Provident Fund, Superannuation, Medical Reimbursement and value of perquisites.
- Nature of employment is on contractual basis governed by the employment terms & conditions and service rules of the Company from time to time.
- None of the above is a relative of any Director.
- Employee's Stock Options are granted to these employees.
- Employed throughout the financial year.

Standalone Financials

Independent Auditor's Report

To the Members of Protean eGov Technologies Limited (Formerly NSDL e-Governance Infrastructure Limited)

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Protean eGov Technologies Limited (the 'Company'), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of 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 2022, 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 on the standalone financial statements.

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 director report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained 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 AND BOARD OF DIRECTORS' RESPONSIBILITIES 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/loss 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, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone 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 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 (Auditor's Report) Order, 2020 ("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.

2. (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 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, 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 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.

a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements.

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

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

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 32 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

— directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or

— provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 32 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

— directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or

— provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

e) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 43 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) of the Act which are required to be commented upon by us.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No.116231W/W100024

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060
UDIN: 22100060ALVCYG1325

Place: Mumbai
Date: 28 June 2022

Annexure A

to the Independent Auditor's report on the standalone financial statements of Protean eGov Technologies Limited for the year ended 31 March 2022

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every two years. In accordance with this programme, property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering information technology and related services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and others. The Company has not made any investments in firms, limited liability partnership.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loan during the year. Accordingly, clause 3(iii) (c) is not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loan during the year. Accordingly, clause 3(iii) (d) is not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loan during the year. Accordingly, clause 3(iii) (e) is not applicable to the Company.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loan during the year. Accordingly, clause 3(iii) (f) is not applicable to the Company).

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into GST.

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 Goods and Services Tax ('GST'), Provident fund, Income-tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of the Dues	Amount (₹ in million)	Period	Forum where dispute is pending
The Maharashtra Value Added Tax Act, 2002	Sales Tax, Interest and Penalty	211.80**	2015-16	Appellate Tribunal
Central Sales Tax Act, 1956	Central Sales Tax, Interest and Penalty	0.32	2015-16	Appellate Tribunal
Income tax Act, 1961	Income tax	11.92	2010-11	AO
Income tax Act, 1961	Income tax	11.56	2011-12	AO
Income tax Act, 1961	Income tax	9.75	2012-13	CIT (A)
Income tax Act, 1961	Income tax	0.09	2015-16	AO
Income tax Act, 1961	Income tax	13.6	2016-17	CIT (A)
Income tax Act, 1961	Income tax	53.86	2017-18	AO
Income tax Act, 1961	Income tax	17.39	2018-19	AO

*** These amounts are net of amount paid under protest ₹ 14.20 million*

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loan. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

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

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

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge

(xx) of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xxi) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No.116231W/W100024

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060
UDIN: 22100060ALVCYG1325

Place: Mumbai
Date: 28 June 2022

Annexure B

to the Independent Auditors' report on the standalone financial statements of Protean eGov Technologies Limited for the year ended 31 March 2022

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

(Referred to in paragraph (2) (A) (f) 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 standalone financial statements of Protean eGov Technologies Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone 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 standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, 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").

AUDITORS' 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 standalone 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 WITH REFERENCE TO FINANCIAL STATEMENTS

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 WITH REFERENCE TO FINANCIAL STATEMENTS

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 Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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/W100024

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060
UDIN: 22100060ALVCYG1325

Place: Mumbai
Date: 28 June 2022

Standalone Balance Sheet

as at 31 March 2022

Currency : (₹ in Million)

			Notes	As at 31 March 2022	As at 31 March 2021
Assets					
1	**Non-current assets**				
	a	Property, plant and equipment	2	506.83	493.85
	b	Capital work-in-progress			
	i	Capital work-in-progress on tangible assets	2B	11.74	13.40
	ii	Intangible assets under development	2B	33.18	0.80
	c	Right-of-use assets	27	121.81	61.00
	d	Other intangible assets	2	16.75	13.30
	e	Financial assets			
	i	Investments	4	3,192.96	2,766.85
	ii	Other financial assets	5	175.73	203.90
	f	Income tax assets (net)	6	269.86	276.72
	g	Deferred tax assets (net)	6	198.53	90.20
	h	Other non-current assets	7	56.26	36.10
	Total non-current assets			**4,583.65**	**3,956.12**
2	**Current assets**				
	a	Financial assets			
	i	Investments	8	553.36	114.40
	ii	Trade receivables	9	1,998.44	1,977.40
	iii	Cash and cash equivalents	10	2,062.50	704.63
	iv	Other bank balances (bank balances other than iii above)	11	162.83	417.00
	v	Other financial assets	5	159.51	190.88
	b	Other current assets	7	367.38	447.60
	Total current assets			**5,304.02**	**3,851.91**
3	**Assets held for sale**		3	**-**	**823.96**
		Total assets		**9,887.67**	**8,631.99**
Equity and liabilities					
1	**Equity**				
	a	Equity share capital	12	403.84	401.39
	b	Other equity	13	7,483.05	6,281.62
				7,886.89	**6,683.01**
2	**Liabilities**				
	Non-current liabilities				
	a	Financial liabilities			
		Lease liabilities	27	79.23	18.60
	b	Provisions	16	151.80	204.35
	c	Other non-current liabilities	17	13.68	11.20
	Total non-current liabilities			**244.71**	**234.15**
	Current liabilities				
	a	Financial liabilities			
	i	Lease liabilities	27	37.61	43.30
	ii	Trade payables			
		Dues of micro enterprises and small enterprises	14 & 30	56.63	167.10
		Dues of creditors other than micro enterprises and small enterprises	14	900.37	820.96
	iii	Other financial liabilities (Other than provisions in ("b") below)	15	133.47	152.84
	b	Provisions	16	52.13	33.82
	c	Other current liabilities	17	536.64	496.81
	d	Income tax liability (net)	6	39.22	-
	Total current liabilities			**1,756.07**	**1,714.83**
	Total equity and liabilities			**9,887.67**	**8,631.99**

Summary of significant accounting policies and the accompanying notes are an integral part of the financial statements. 1 to 43

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
Protean eGov Technologies Limited
(CIN: U72900MH1995PLC095642)

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Suresh Sethi
Managing Director & CEO
DIN-06426040

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place: Mumbai
Date: 28 June 2022

Place: Mumbai
Date: 28 June 2022

Standalone Statement of Profit and Loss

for the year ended 31 March 2022

Currency : (₹ in Million) except equity share and per equity share data

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Income:			
Revenue from operations	18	6,909.09	6,031.32
Other income	19	788.02	490.19
Total Income		**7,697.11**	**6,521.51**
Expenses			
Employee benefits expense	20	786.76	752.71
Finance costs	27	4.83	9.36
Depreciation and amortisation expense	2 & 27	168.40	172.80
Other expenses	21	4,881.80	4,427.84
Total Expenses		**5,841.79**	**5,362.71**
Profit before tax		1,855.32	1,158.80
Less : Tax expenses			
Current tax	6	524.88	299.40
Deferred tax	6	(108.43)	(65.20)
Total tax expenses		**416.45**	**234.20**
Profit for the year (A)		**1,438.87**	**924.60**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the defined benefit liability / asset	24	36.25	(28.60)
Total Other Comprehensive Income (net of tax) (B)		**36.25**	**(28.60)**
Total Comprehensive Income (A+B)		**1,475.12**	**896.00**
Earnings per equity share			
- Basic (₹)	22	35.77	23.08
- Diluted (₹)	22	35.73	23.06
Summary of significant accounting policies and the accompanying notes are an integral part of the financial statements.	1 to 43		

As per our report of even date attached

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place: Mumbai
Date: 28 June 2022

For and on behalf of the Board of Directors of
Protean eGov Technologies Limited
(CIN: U72900MH1995PLC095642)

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Suresh Sethi
Managing Director & CEO
DIN-06426040

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place: Mumbai
Date: 28 June 2022

Statement of Changes in Equity
for the year ended 31 March 2022

A. EQUITY SHARE CAPITAL

Currency : (₹ in Million)

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
400.08	1.31*	401.39

**Represents value less than ₹ 0.5 Million.*

Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
401.39	2.45	403.84

B. OTHER EQUITY

Currency : (₹ in Million)

Particulars	Other Equity					Other Comprehensive Income	Total
	Reserves and Surplus			ESOP Reserve	Securities premium	Other items of comprehensive income	
	Capital redemption reserve	General reserve	Retained earnings				
Balance at the April 1, 2020	**250.00**	**3,984.30**	**2,942.70**	**46.80**	**2.40**	**(88.30)**	**7,137.90**
Profit for the year	-	-	924.60	-	-	-	924.60
Other comprehensive loss	-	-	-	-	-	(28.60)	(28.60)
Share based payment expense	-	-	-	13.00	-	-	13.00
Transfer from ESOP Reserve on exercise of stock options/options unexercised	-	2.10	-	(12.80)	10.70	-	(0.00)
Issue of shares on account of exercise of stock options	-	-	-	-	39.40	-	39.40
Dividend (including dividend distribution tax)	-	-	(1,804.68)	-	-	-	(1,804.68)
Balance at the 31 March 2021	**250.00**	**3,986.40**	**2,062.62**	**47.00**	**52.50**	**(116.90)**	**6,281.62**

Statement of Changes in Equity (contd.)

for the year ended 31 March 2022

Currency : (₹ in Million)

Particulars	Other Equity#					Other Comprehensive Income	Total
	Reserves and Surplus			ESOP Reserve	Securities premium	Other items of comprehensive income	
	Capital redemption reserve	General reserve	Retained earnings				
Balance at the April 1, 2021	**250.00**	**3,986.40**	**2,062.62**	**47.00**	**52.50**	**(116.90)**	**6,281.62**
Profit for the year	-	-	1,438.87	-	-	-	1,438.87
Other comprehensive loss	-	-	-	-	-	36.25	36.25
Share based payment expense	-	-	-	15.65	-	-	15.65
Transfer from ESOP Reserve on exercise of stock options/options unexercised	-	-	-	(40.17)	40.17	-	-
Issue of shares on account of exercise of stock options	-	-	-	-	73.38	-	73.38
Dividend	-	-	(362.72)	-	-	-	(362.72)
Balance at the 31 March 2022	**250.00**	**3,986.40**	**3,138.77**	**22.48**	**166.05**	**(80.65)**	**7,483.05**

Note:

#*Purpose of Reserve stated as follows:*

(a) **Capital redemption reserve:** Capital redemption reserve is created to purchase 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.

(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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place: Mumbai
Date: 28 June 2022

For and on behalf of the Board of Directors of
Protean eGov Technologies Limited
(CIN: U72900MH1995PLC095642)

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Suresh Sethi
Managing Director & CEO
DIN-06426040

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place: Mumbai
Date: 28 June 2022

Standalone Cash Flow Statements

for the year ended 31 March 2022

Currency : (₹ in Million)

		For the year ended 31 March 2022	For the year ended 31 March 2021
A)	**Cash flow from operating activities**		
	Profit before tax	**1,855.32**	**1,158.80**
	Adjustments for :		
	Depreciation and amortisation	168.40	172.80
	Amortisation of premium / discount on Govt/Debt Securities	19.56	11.30
	Loss on sale /discard of assets (net)	-	1.30
	Profit on sale /discard of assets (net)	(438.96)	-
	Profit on discard of leased assets (net)	(2.49)	(0.70)
	Provision for doubtful debts	303.73	292.00
	Interest income on financial assets carried at amortised cost	(196.54)	(262.70)
	Interest income on bank deposits	(35.88)	(24.50)
	Share based payments to employees	15.65	12.97
	Finance costs	4.83	9.36
	Loss/(profit) on sale of investments carried on amortised cost	(0.02)	(52.30)
	Dividend income	(13.11)	(9.20)
	Operating cash flow before changes in working capital	**1,680.49**	**1,309.13**
	Changes in working capital		
	Trade receivables	(324.66)	(162.25)
	Other financial assets and other assets	53.02	32.30
	Trade payables	(31.10)	100.30
	Other financial liabilities, other liabilities and provisions	46.24	43.00
	Cash generated from operations	**1,423.99**	**1,322.48**
	Income taxes paid (Net)	(478.80)	(319.40)
	Net cash generated from operating activities	**945.19**	**1,003.08**
B)	**Cash flow from investing activities**		
	Purchase of property plant and equipment and capital advances given	(189.98)	(94.60)
	Proceeds from sale of property, plant and equipment	1,320.02	-
	Interest received	232.42	315.70
	Dividend received	13.11	9.20
	Purchase of current investments	(411.90)	(400.00)
	Purchase of non-current investments (net of interest accrued upto date of purchase)	(498.71)	-
	Investment in subsidiaries	(80.00)	(30.10)
	Investment in fixed deposits	-	(326.20)
	Liquidation of fixed deposit	254.17	-
	Maturity / (Placement) of restricted deposit	3.85	-
	Proceeds from sale of non-current investments	106.00	1,040.80
	Proceeds from sale of current investments	-	610.00
	Net cash generated from / (used in) investing activities	**748.98**	**1,124.80**

Standalone Cash Flow Statements (contd.)

for the year ended 31 March 2022

Currency : (₹ in Million)

		For the year ended 31 March 2022	For the year ended 31 March 2021
C)	**Cash flow from financing activities**		
	Proceeds from exercise of stock options	75.82	40.67
	Dividend paid	(362.72)	(1,804.68)
	Lease liability paid	(49.40)	(69.16)
	Net cash used in financing activities	**(336.30)**	**(1,833.17)**
	Net increase in cash and cash equivalents at the end of the year	**1,357.87**	**294.71**
	Cash and cash equivalents at the beginning of the year	**704.63**	**409.92**
	Cash and cash equivalents at the end of the year	**2,062.50**	**704.63**

Notes to Cash Flow Statement :

1. Cash and cash equivalents represents cash, bank balances and bank deposits with original maturity of less than three months.
2. The company has used profit before tax as starting point for presenting operating cash flow using indirect method.

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place: Mumbai
Date: 28 June 2022

For and on behalf of the Board of Directors of
Protean eGov Technologies Limited
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Sd/-
Shailesh Haribhakti
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Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place: Mumbai
Date: 28 June 2022

Notes to Standalone Financial Statements

for the year ended 31 March 2022

1. CORPORATE INFORMATION

Protean eGov Technologies Limited (formerly 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 name of the company has been changed from NSDL e-Governance Infrastructure Limited to Protean eGov Technologies Limited with effect from the date of 08 December 2021. The company is a public limited company and domiciled in India. The address of the corporate office is 1st floor, Times Tower, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

The Board of Directors of the Company at its meeting held on 23 March 2021 has approved Offer for Sale of Equity Shares by certain existing shareholders of the Company and for listing of the Equity Shares on one or more of the recognised stock exchanges in India in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, relevant provisions of the Companies Act, 2013, and other applicable laws.

The standalone financial statements for the year ended 31 March 2022 were approved for issue in accordance with the resolution of the Company's Board of Directors on 28 June 2022.

1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a) Statement of compliance

These standalone 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.

All assets and liabilities have been classified as current and non-current as per the Companies 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 company has considered an operating cycle of 12 months.

b) Basis of preparation of standalone financial statements

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

These standalone 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 year. 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.

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation

These Standalone financial Statements do not reflect the effects of events that occurred subsequent to the date of board meeting in which the Standalone financial Statements is approved.

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

c) Use of judgements and estimates

The preparation of Standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting year. The key assumptions concerning the

Notes to Standalone Financial Statements

for the year ended 31 March 2022

future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

The areas involving significant judgement and estimates are as follows:

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 18: Revenue recognition
- Note 23: Fair value measurement of financial assets
- Note 27: Leases
- Note 4 and 8: Classification of investments

Estimates:

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these standalone financial statements have been disclosed below:

- Note 24: Defined benefit
- Note 2: Property, plant and equipment
- Note 27: Leases
- Note 6: Income taxes
- Note 23: Fair value measurement of financial instruments
- Note 32: Share based payments
- Note 19: Other income
- Note 18: Revenue recognition
- Note 9: Trade receivables

The preparation of the standalone 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 standalone financial statements and reported amounts of revenues and expenses during the year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these standalone financial statements have been disclosed below. Accounting estimates could change from year to year. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about the assumptions and estimates could result in the outcome requiring material adjustment to the carrying amount of assets and liabilities.

Estimation of uncertainties relating to the global health pandemic from COVID-19:

In view of the unprecedented COVID-19 pandemic and economic forecasts, the Management has evaluated the impact on the standalone financial statements and made appropriate adjustment where necessary. In assessing the recoverability of its assets including receivables and unbilled receivables, the company has considered internal and external information upto the date of approval of these standalone financial statements including economic forecasts. The company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the company expects to recover the carrying amount of these assets.

However, the actual impact of COVID-19 on the company's standalone financial statements may differ from that estimated and the company will continue to closely monitor any material changes to future economic conditions.

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

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.

Leases

The company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Income taxes

The major tax jurisdiction for the company is 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 year 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 year 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 's'.

Share based payments:

The company is required to evaluate the terms to determine whether share-based payment is equity settled or cash settled. Judgment is required to do this evaluation. Further, the company is required to measure the fair value of equity settled transactions with employees at the grant date of the equity instruments. The aforementioned inputs entered in to the option valuation model that the company uses to determine the fair value of the share awards are subjective estimates, changes to these estimates will cause the fair value of our share-based awards, and related share-based compensation expense that the company records to vary.

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.

Trade receivables

The company estimates the un-collectability of accounts receivable by analysing historical payment patterns,

Notes to Standalone Financial Statements

for the year ended 31 March 2022

customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

d) **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.

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.

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.

Satisfaction of performance obligation

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 company is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

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.

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 year.

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.

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.

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

e) 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 standalone 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.

f) Leases

The company as a lessee

The company lease asset classes primarily consist of leases for premise. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the company has the right to direct the use of the asset.

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

The company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight -line method from the commencement date over the lease term.

The company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

g) Depreciation and amortisation

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

Notes to Standalone Financial Statements

for the year ended 31 March 2022

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:

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.

Depreciation is not recorded on capital work-in-progress until installation is complete and the asset is ready for its intended use. 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.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property 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 ready for 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

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

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**

  All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the year in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

- **Post-Employment benefits**

  Defined Contribution plans

  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. The contributions, as specified under the law were made to Recognised Provident Fund.

  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

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 company 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 year 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.

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

Notes to Standalone Financial Statements

for the year ended 31 March 2022

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 year in which the absences occur.

i) **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 enforceable 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 standalone 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 year 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 year 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 year.

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).

j) **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 standalone financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. A contingent asset is not recognised in the standalone financial statements, however, the same is disclosed where an inflow of economic benefit is probable.

k) **Cash Flow statement**

Cash flows are reported using the indirect method for presenting operating cash flow, whereby profit or loss for the year 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.

l) **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.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

m) 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.

For the purpose of calculating diluted earnings per share, the net profit and loss for the year attributable to equity shareholders of the company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n) 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.

o) 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.

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 company 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

Loans and receivables and 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.

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 standalone 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

Notes to Standalone Financial Statements

for the year ended 31 March 2022

exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

p) **Share based payment**

Equity settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date which is recognised over the vesting period, with the corresponding increase in equity. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

q) **Corporate Social Responsibility (CSR) Expenditure**

CSR expense is recognized as it is incurred by the company or when company has entered into any legal or constructive obligation for incurring such an expense.

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

2 PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

Currency : (₹ in Million)

	Property, Plant and Equipment							Other Intangible assets	
Particulars	**Building**	**Computers**	**Data and Telecommunication equipment**	**Electric installation**	**Office equipment**	**Furniture and fixtures**	**Total**	**Computer Softwares (others)**	**Total**
Gross carrying value as of 1 April 2021	**529.10**	**842.20**	**182.54**	**52.17**	**89.51**	**68.00**	**1,763.52**	**502.00**	**502.00**
Additions	-	103.59	8.96	1.71	6.82	-	121.08	16.86	16.86
Deletions	-	-	-	-	-	-	-	-	-
Gross carrying value as of 31 March 2022	**529.10**	**945.79**	**191.50**	**53.88**	**96.33**	**68.00**	**1,884.60**	**518.86**	**518.86**
Accumulated depreciation as of 1 April 2021	**403.31**	**593.26**	**126.31**	**39.80**	**70.19**	**36.80**	**1,269.67**	**488.70**	**488.70**
Depreciation	2.11	77.73	16.21	1.52	6.08	4.45	108.10	13.41	13.41
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-
Accumulated depreciation as of 31 March 2022	**405.42**	**670.99**	**142.52**	**41.32**	**76.27**	**41.25**	**1,377.77**	**502.11**	**502.11**
Carrying value as of 31 March 2022	**123.68**	**274.80**	**48.98**	**12.56**	**20.06**	**26.75**	**506.83**	**16.75**	**16.75**

	Property, Plant and Equipment							Other Intangible assets	
Particulars	**Building**	**Computers**	**Data and Telecommunication equipment**	**Electric installation**	**Office equipment**	**Furniture and fixtures**	**Total**	**Computer Softwares (others)**	**Total**
Gross carrying value as of 1 April 2020	**529.10**	**743.90**	**179.90**	**48.50**	**88.40**	**68.00**	**1,657.80**	**485.70**	**485.70**
Additions	-	98.30	2.64	3.67	1.11	-	105.72	16.30	16.30
Deletions	-	-	-	-	-	-	-	-	-
Gross carrying value as of 31 March 2021	**529.10**	**842.20**	**182.54**	**52.17**	**89.51**	**68.00**	**1,763.52**	**502.00**	**502.00**
Accumulated depreciation as of 1 April 2020	**401.20**	**526.10**	**111.20**	**38.10**	**63.70**	**32.00**	**1,172.30**	**481.80**	**481.80**
Depreciation	2.11	67.16	15.11	1.70	6.49	4.80	97.37	6.90	6.90
Deletions	-	-	-	-	-	-	-	-	-
Accumulated depreciation as of 31 March 2021	**403.31**	**593.26**	**126.31**	**39.80**	**70.19**	**36.80**	**1,269.67**	**488.70**	**488.70**
Carrying value as of 31 March 2021	**125.79**	**248.94**	**56.23**	**12.37**	**19.32**	**31.20**	**493.85**	**13.30**	**13.30**

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

(2b) Capital work-in-progress

(i) Capital work-in-progress on tangible assets

(₹ in Million)

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Balance as of beginning of the year	13.40	48.00
Additions	159.56	113.39
Capitalisation	(161.22)	(147.99)
Balance as at end of the year	**11.74**	**13.40**

Notes to Standalone Financial Statements
for the year ended 31 March 2022

(ii) Intangible assets under development

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as of beginning of the year	0.80	6.28
Additions	82.01	53.12
Capitalisation	(49.63)	(58.60)
Balance as at end of the year	**33.18**	**0.80**

Capital-Work-in Progress

(₹ in Million)

Particulars	Amount in CWIP for the year ended 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (on tangible assets)	11.74	-	-	-	11.74
Projects in progress (intangible assets under development)	33.18	-	-	-	33.18

(₹ in Million)

Particulars	Amount in CWIP for the year ended 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (on tangible assets)	13.20	0.07	-	0.13	13.40
Projects in progress (intangible assets under development)	0.80	-	-	-	0.80

3 ASSETS HELD FOR SALE

During the year, on 29 March 2022, the Company has sold its data centre unit located at Bangalore for a consideration of ₹ 1320 Million. The particulars of the assets held for sale is as under. The profit has been recognised as other income on this transaction (Refer note 19).

(₹ in Million)

Particulars	WDV of assets as on 31 March 2022	WDV of assets as on 31 March 2021
Land & Building	-	574.85
Furniture, fixture and office equipment's	-	249.11
Total	**-**	**823.96**

4 NON-CURRENT INVESTMENTS

A Fully Paid Unquoted Equity Investments

Particulars	Face value	As at 31 March 2022		As at 31 March 2021	
		Holdings as at	(₹ in Million)	Holdings as at	(₹ in Million)
Investment in Subsidairy Companies (at cost)					
1. NSDL E-Governance Account Aggregator Limited	₹ 10	2,999,994	30.00	2,999,994	30.00
2. NSDL E-Governance (Malaysia) Sdn Bhd*	MYR 1	510	-	510	-
3. Protean eGov Technologies Australia Pty Ltd	AUD 1	1,000	0.06	1,000	0.06
4. Protean Infosec Services Limited	₹ 10	8,000,000	80.00	-	-
Investment in other Companies (at cost)					
1. Open Network for Digital Commerce**	₹ 10	1,000,000	100.00	-	-
Total (A)			**210.06**		**30.06**

**Represents value less than ₹ 0.5 Million.*
*** Associate upto 08.03.2022*

Notes to Standalone Financial Statements
for the year ended 31 March 2022

B Quoted Debt Securities Investments at amortised cost :

(₹ in Million)

Particulars		Rate of interest %	Year of maturity	No. of bonds/ debentures/ share	Face value	As at 31 March 2022	As at 31 March 2021
Investment in bonds							
1	Indian Railway Finance Corporation Limited	8.10	2027	50,000	1,000	53.43	53.43
2	National Highway Authority of India Limited	8.30	2027	200,000	1,000	218.17	218.17
3	Indian Railway Finance Corporation Limited	7.34	2028	250,000	1,000	257.38	257.38
4	National Highway Authority of India Limited	8.50	2029	80,000	1,000	80.00	80.00
5	Rural Electrification Corporation	8.63	2029	50,000	1,000	50.00	50.00
6	National Thermal Power Corporation Limited	7.37	2035	6,246	1,000	6.25	6.25
7	National Thermal Power Corporation Limited	7.15	2025	90	1,000,000	91.19	91.19
8	Power Finance Corporation Limited	8.46	2028	150	1,000,000	167.18	167.18
9	Rural Electrification Corporation	8.46	2028	250	1,000,000	289.37	289.37
10	National Bank for Agriculture and Rural Development	7.35	2031	50,000	1,000	52.61	52.61
11	National Hydroelectric Power Corporation Limited	8.67	2033	50,000	1,000	63.42	63.42
12	National Bank for Agriculture and Rural Development	7.35	2031	100,000	1,000	111.67	111.67
13	Indian Renewable Energy Development Agency Limited	7.17	2025	270	1,000,000	287.70	287.70
14	National Highway Authority of India Limited	7.35	2031	100,000	1,000	112.49	112.49
15	National Highway Authority of India Limited	7.39	2031	50,000	1,000	55.57	55.57
16	Indian Railway Finance Corporation Limited	7.35	2031	150,000	1,000	166.27	166.27
17	National Hydroelectric Power Corporation Limited	8.18	2023	50,000	1,000	53.75	53.75
18	EXIM Bank Limited	9.25	2022	2	1,000,000	-	1.99
19	Rural Electrification Corporation	9.35	2022	4	1,000,000	-	4.02
20	HDB Financial Services Limited	9.60	2023	2	1,000,000	-	2.00
21	HDB Finanacial Services Limited	10.19	2024	1	1,000,000	1.04	1.04
22	Indian Railway Finance Corporation Limited	9.09	2026	2	1,000,000	2.01	2.01
23	Power Finance Corporation Limited	8.94	2028	4	1,000,000	4.11	4.11
24	Indian Railway Finance Corporation Limited	8.79	2030	1	1,000,000	1.01	1.01
25	National Highway Authority of India Limited	7.26	2038	50	1,000,000	50.09	-

Notes to Standalone Financial Statements

for the year ended 31 March 2022

(₹ in Million)

	Particulars	Rate of interest %	Year of maturity	No. of bonds/ debentures/ share	Face value	As at 31 March 2022	As at 31 March 2021
26	National Highway Authority of India Limited	7.26	2038	250	1,000,000	200.90	-
27	Indian Railway Finance Corporation Limited	6.95	2036	150	1,000,000	147.72	-
28	Power Finance Corporation Limited	9.10	2029	50	1,000,000	51.17	51.17
Investment in non convertible debentures							
29	Infrastructure Leasing & Finance Services Limited	9.55	2023	550	1,000	-	0.55
30	IDFC Bank Limited	8.80	2025	10	1,000,000	9.95	9.95
31	India Infrastructure Finance Company Limited	9.41	2037	5	1,000,000	5.60	5.60
32	National Housing Bank	8.63	2029	7,220	5,000	36.10	36.10
33	National Housing Bank	8.68	2029	40,000	5,000	205.34	205.34
34	Rural Electrification Corporation	7.21	2022	130	1,000,000	-	132.91
35	National Housing Bank	8.46	2028	40	1,000,000	44.27	44.27
36	National Housing Bank	8.76	2034	20,000	5,000	124.14	124.14
37	National Housing Bank	8.68	2029	10,000	5,000	59.13	59.13
						3,059.03	**2,801.79**
	Less : Amortisation of premium					75.53	64.40
	Less : Provision for impairment of assets					0.60	0.60
	Total (B)					**2,982.90**	**2,736.79**
	Total (A) + (B)					**3,192.96**	**2,766.85**
	Aggregate book value of quoted investments {Non-current + Current-(Note 8)}					3,746.32	2,851.30
	Aggregate market value of quoted investments {Non-current + Current-(Note 8)}					4,049.53	3,197.00

5 OTHER FINANCIAL ASSETS

(Unsecured considered good)

(₹ in Million)

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Others				
Security deposits	101.08	116.30	-	-
Interest accrued on investments	-	-	102.62	91.63
Interest accrued on bank deposits	-	4.90	11.59	5.25
Restricted deposits with banks against performance guarantee	74.65	78.50	-	-
***Other financial receivable*	-	-	39.76	-
**Unbilled receivables*	-	4.20	5.54	94.00
Total	**175.73**	**203.90**	**159.51**	**190.88**

** Unbilled receivable ageing - less than 6 month- ₹ 5.54 Million (31.03.2021, less than 6 month- ₹ 47.00 Million, 6 month to 1 year- ₹ 47.00 Million, 1 year to 2 year- ₹ 1.15 Million, 2 year to 3 year - ₹ 1.06 Million, more than 3 year- ₹ 1.99 Million)*

*** Cost incurred towards listing of shares related procedure, recoverable from selling shareholders.*

Notes to Standalone Financial Statements

for the year ended 31 March 2022

6 INCOME TAXES

(A) The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

Profit and loss section

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Current taxes	524.88	299.40
Deferred taxes	(108.43)	(65.20)
Income tax expense reported in the statement of profit and loss	416.45	234.20

Other Comprehensive Income (OCI) section

Deferred tax benefits related to items recognised in OCI for the year ended:

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Re-measurement of the defined benefit liability / asset	-	-
	-	-

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

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Profit before income taxes	1,855.32	1,158.80
Applicable enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	466.98	291.67
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	(51.63)	(58.70)
Expense not allowed for taxation purpose	20.96	8.80
Others	(19.87)	(7.64)
Total income tax expense	416.45	234.13

(C) The movement in the current income tax asset/ (liability) for the year ended 31 March 2022 and 31 March 2021 is as follows:

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Net current income tax asset/ (liability) at the beginning	276.72	256.72
Income tax paid	478.80	319.40
Current income tax expense	(524.88)	(299.40)
Net current income tax liability at the end	(39.22)	-
Net non current income tax assets at the end	269.86	276.72

Notes to Standalone Financial Statements

for the year ended 31 March 2022

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

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets		
Provision for compensated absences	38.03	35.80
Provision for doubtful debts	176.92	103.30
Others	-	2.00
Total deferred tax assets	**214.95**	**141.10**
Deferred tax liabilities		
Difference between tax balance and book balance of fixed assets	13.77	50.90
Others	2.65	-
Total deferred tax liabilities	**16.42**	**50.90**
Deferred tax assets (net)	**198.53**	**90.20**

(E) The gross movement in the deferred tax account for the year ended 31 March 2022 and 31 March 2021 is as follows:

(₹ in Million)

Particulars	As at 31 March 2022			As at 31 March 2021		
	Opening balance	Recognised in profit and loss	Closing balance	Opening balance	Recognised in profit and loss	Closing balance
Deferred tax assets/(liabilities) in relation to:						
Property, plant and equipment and intangible assets	(50.90)	37.13	(13.77)	(26.70)	(24.20)	(50.90)
Provision for compensated absences	35.80	2.23	38.03	32.20	3.60	35.80
Employee incentives payable	-	-	-	(4.30)	4.30	-
Deferred revenue	(0.12)	0.12	-	(1.32)	1.20	(0.12)
Provision of doubtful debts	103.30	73.62	176.92	26.80	76.50	103.30
Others	2.12	(4.67)	(2.55)	(1.68)	3.80	2.12
Total deferred tax assets	**90.20**	**108.43**	**198.63**	**25.00**	**65.20**	**90.20**

7 OTHER ASSETS

Unsecured, considered good

(₹ in Million)

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
(A) Capital advances	1.43	1.40	-	-
(B) Reimbursement of expenses recoverable from subsidiary (Refer note 26)	7.79	6.60	-	-
(C) Other advances				
Prepaid expenses	5.97	19.10	93.02	48.20
Deferred expenses	41.07	9.00	22.04	24.30
GST credit receivable*	-	-	119.15	219.40
Advance to suppliers	-	-	132.67	155.20
Others	-	-	0.50	0.50
	56.26	**36.10**	**367.38**	**447.60**

** GST credit receivable as on 31.03.2022 is after adjusting ₹ 33.82 Million provision of written off.*

Notes to Standalone Financial Statements

for the year ended 31 March 2022

8 CURRENT INVESTMENTS

Particulars		Year of maturity	Rate of interest	As at 31 March 2022 No. of Units	Face Value	(₹ in Million)	As at 31 March 2021 No. of Units	Face Value	(₹ in Million)
Quoted debt securities investments at amortised cost :									
Non convertible debentures									
	Current portion of Non convertible debentures								
1	Infrastructure Leasing & Finance Services Limited	2023	9.55	550	1,000	0.55	-	-	-
Bonds									
2	Housing Development and Finance Corporation Limited	2021	9.40	-	-	-	4	1,000,000	4.00
3	Power Finance Corporation Limited	2021	9.36	-	-	-	2	1,000,000	2.00
4	Rural Electrification Corporation	2022	9.35	4	1,000,000	4.02	-	-	-
5	EXIM Bank Limited	2022	9.25	2	1,000,000	1.99	-	-	-
6	HDB Financial Services Limited	2023	9.60	2	1,000,000	2.00	-	-	-
7	Power Finance Corporation Limited	2022	8.20	-	-	-	100,000	1,000	108.40
8	Rural Electrification Corporation	2022	7.21	130	1,000,000	132.90	-	-	-
Investments carried at fair value through profit or loss :									
Liquid Mutual funds									
1	Axis Liquid Fund - Direct Plan - Daily IDCW	-	-	51,433.59	1,000.96	51.48	-	-	-
2	UTI Liquid Cash Plan - Direct Plan - Daily Reinvestment of IDCW	-	-	49,485.67	1,042.90	51.61	-	-	-
3	LIC MF Liquid Fund- Direct Plan - IDCW	-	-	50,804.55	1,013.60	51.50	-	-	-
4	ICICI Prudential Liquid Fund - Direct Plan - Plan- Daily IDCW	-	-	514,207.12	100.11	51.48	-	-	-
5	Aditya Birla Sun Life Money Manager Fund- Daily IDCW	-	-	513,946.63	100.20	51.49	-	-	-
6	Sundaram Liquid Fund (Formerly Principal Cash Management Fund- Direct Plan IDCW Daily Reinvestment	-	-	51,418.97	1,000.64	51.45	-	-	-
7	IDFC Cash Fund- Daily IDCW	-	-	51,375.04	1,001.67	51.46	-	-	-
8	Canara Robeco Liquid Fund- Direct Daily IDCW	-	-	51,149.00	1,005.50	51.43	-	-	-
	Total					**553.36**			**114.40**

Notes to Standalone Financial Statements

for the year ended 31 March 2022

9 TRADE RECEIVABLES

(₹ in Million)

Particulars	Current	
	As at 31 March 2022	As at 31 March 2021
Trade Receivables	2,701.34	2,375.70
Less: Allowance for doubtful trade receivables (Refer note 23.3)	702.90	398.30
Considered good	1,998.44	1,977.40
Trade Receivables	-	11.90
Less: Allowance for doubtful trade receivables	-	11.90
Credit Impaired	-	-
Total	**1,998.44**	**1,977.40**

Trade receivables outstanding and ageing schedule as follows:

Particulars	Outstanding for following periods from due date of payment as on 31 March 2022					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,108.16	144.16	188.38	254.35	203.39	1,898.44
(ii) Undisputed Trade Receivables – considered doubtful	30.24	25.74	142.71	197.57	105.51	501.77
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	111.89	-	111.89
(iv) Disputed Trade Receivables considered doubtful	-	-	105.38	83.86	-	189.24

Particulars	Outstanding for following periods from due date of payment as on 31 March 2021					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	959.34	266.54	325.03	136.99	86.25	1,774.15
(ii) Undisputed Trade Receivables – considered doubtful	-	-	151.57	46.42	102.42	300.41
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	11.90	11.90
(iii) Disputed Trade Receivables considered good	31.25	74.13	97.88	-	-	203.26
(iv) Disputed Trade Receivables considered doubtful	-	-	97.88	-	-	97.88

Notes to Standalone Financial Statements

for the year ended 31 March 2022

10 CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	Current	
	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Cash on hand	0.13	0.13
Balances with banks in current accounts	792.06	704.50
Cheques in hand	20.31	-
Bank deposits with original maturity for less than 3 months	1,250.00	-
	2,062.50	**704.63**

11 OTHER BANK BALANCES

(₹ in Million)

Particulars	Current	
	As at 31 March 2022	As at 31 March 2021
Bank deposits with original maturity for more than 3 months but less than 12 months	162.83	417.00
Total	**162.83**	**417.00**

Portion of deposits held as restricted deposits with bank against performance guarantee are recognised under note 5 'other financial assets'

12 EQUITY SHARE CAPITAL

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
500,000,000 (31 March 2021: 500,000,000) equity shares of ₹ 10 each	5,000.00	5,000.00
Issued, Subscribed and Paid-up		
40,384,076 (31 March 2021: 40,139,462) equity shares of ₹ 10 each fully paid up	403.84	401.39
Total	**403.84**	**401.39**

a) Reconciliation of number of shares

(₹ in Million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Opening balance	40,139,462	401.39	40,007,981	400.08
Issued during the year	244,614	2.45	131,481	1.31
Closing balance	40,384,076	403.84	40,139,462	401.39

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

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

(₹ in Million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Numbers of shares held	% of holding	Numbers of shares held	% of holding
NSE Investments Limited	10,018,000	24.81	10,018,000	24.96
IIFL Special Opportunities Fund	2,894,507	7.17	2,894,507	7.21
Administrator of Specified Undertaking of Unit Trust of India	2,732,000	6.77	2,732,000	6.81
IIFL Special Opportunities Fund – Series 4	2,499,178	6.19	2,499,178	6.23
IIFL Special Opportunities Fund – Series 2	2,016,366	4.99	2,016,366	5.02

d) **Shareholding of Promoters as below**

Shares held by promoters at the end of the period/year

(₹ in Million)

Promoter Name	As at 31 March 2022			As at 31 March 2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
There is no promoter holding at the end of the year	-	-	-	-	-	-

e) **Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back**

The Company has neither allotted equity shares without receipt of cash or as bonus shares nor bought back any equity shares during preceding five financial years.

13 OTHER EQUITY

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
a) Capital redemption reserve		
Balance at the beginning	250.00	250.00
Balance at the end of the year	**250.00**	**250.00**
b) General reserve		
Balance at the beginning	3,986.40	3,984.30
Transfer from ESOP Reserve on options unexercised	-	2.10
Balance at the end of the year	**3,986.40**	**3,986.40**
c) Retained earnings		
Balance at the beginning	2,062.62	2,942.70
(i) Dividend	(362.72)	(1,804.68)
(ii) Profit for the year	1,438.87	924.60
Balance at the end of the year	**3,138.77**	**2,062.62**
d) Other comprehensive income		
Balance at the beginning	(116.90)	(88.30)
Re-measurement of the defined benefit net liability / asset	36.25	(28.60)
Balance at the end of the year	**(80.65)**	**(116.90)**

Notes to Standalone Financial Statements

for the year ended 31 March 2022

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
e) ESOP reserve		
Balance at the beginning	47.00	46.80
(i) Share based payment expense	15.65	13.00
(ii) Transfer to General Reserve/Securities Premium on exercise of stock options/options unexercised	(40.17)	(12.80)
Balance at the end of the year	**22.48**	**47.00**
f) Securities premium		
Balance at the beginning	52.50	2.40
(i) Issue of shares to employees on account of exercise of stock options	73.38	39.40
(ii) Transfer from ESOP Reserve on exercise of stock options	40.17	10.70
Balance at the end of the year	**166.05**	**52.50**
	7,483.05	**6,281.62**

14 TRADE PAYABLES

(₹ in Million)

Particulars	Current	
	As at 31 March 2022	As at 31 March 2021
Trade payables		
Dues of micro enterprises and small enterprises	56.63	167.10
Dues of creditors other than micro enterprises and small enterprises	900.37	820.96
	957.00	**988.06**

Trade payables due for payment
The following ageing schedule shows the Trade payables due for payment
Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment as on 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	56.63	-	-	-	56.63
Others	519.98	80.51	113.50	186.38	900.37
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment as on 31 March 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	167.10	-	-	-	167.10
Others	559.96	50.14	91.12	119.75	820.96
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-

Notes to Standalone Financial Statements

for the year ended 31 March 2022

15 OTHER FINANCIAL LIABILITIES

(₹ in Million)

Particulars	Current	
	As at 31 March 2022	As at 31 March 2021
Creditors for capital expenditure	2.41	23.70
Directors' commission payable	12.83	8.90
Employee benefits payable	11.47	9.81
Employee incentives payable	92.46	91.71
Other liabilities	14.30	18.72
Total	**133.47**	**152.84**

16 PROVISIONS

(₹ in Million)

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Provision for gratuity	20.14	69.65	32.68	26.44
Provision for compensated absences	131.66	134.70	19.45	7.38
Total	**151.80**	**204.35**	**52.13**	**33.82**

17 OTHER LIABILITIES

(₹ in Million)

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Contract liability*	13.68	11.20	378.53	363.70
Statutory dues payable:				
Goods and services tax payable	-	-	94.24	79.62
TDS payable	-	-	58.47	45.76
Other statutory liabilities	-	-	5.40	7.73
Total	**13.68**	**11.20**	**536.64**	**496.81**

**includes deferred revenue (31 March 2022: ₹ 50.03 Million, 31 March 2021: ₹ 41.60 Million)*

18 REVENUE FROM OPERATIONS

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Revenue disaggregation by nature of services is as follows:		
Sale of services		
Transaction fees	4,857.16	4,413.21
Accounts maintenance fees	2,038.64	1,606.95
Other operational income	13.29	11.16
Total	**6,909.09**	**6,031.32**

Notes to Standalone Financial Statements

for the year ended 31 March 2022

Information about major customers:

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2022 and 31 March 2021.

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 changes in scope of contracts, periodic revalidations of the estimates, economic factors, etc.

During the year ended 31 March 2022 and 31 March 2021, no revenue is earned from sale of distinct software and manufactured systems/traded goods.

The table below discloses the movement in contract liabilities during the year ended 31 March 2022 and 31 March 2021

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	374.94	353.53
Add: Invoices raised/advance received for which no revenue is recognised during the year	187.43	308.24
Less: Revenue recognised that was included in the contract liabilities at the beginning of the year	(170.16)	(286.83)
Balance at the end of the year	392.21	374.94

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

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Contracted price with the customers	6,909.09	6,031.32
Less/Add: Adjustments	-	-
Revenue from contracts with customers (as per Statement of Profit and Loss)	6,909.09	6,031.32

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.

The Company has evaluated the impact of COVID – 19 resulting from termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material on the existing revenues basis the current estimates.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

19 OTHER INCOME

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Interest income		
- financial assets	196.54	262.70
- bank deposits	35.88	24.50
- overdue trade receivables	15.25	110.79
- security deposits	7.61	8.30
Dividend income	13.11	9.22
Support charges	5.91	7.45
Rent income	16.60	14.95
Miscellaneous income	26.74	-
Profit on sale of investments carried on amortised cost	0.02	52.28
Sundry balances written back	28.91	-
Profit on discard of leased assets (net)	2.49	-
Profit on sale of assets (net) (Refer note 3)	438.96	-
Total	**788.02**	**490.19**

20 EMPLOYEE BENEFITS EXPENSES

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Salaries, wages and bonus	647.15	642.55
Share based payment expense	15.65	12.97
Contribution to provident and other funds	87.56	80.35
Staff welfare expenses	36.40	16.84
Total	**786.76**	**752.71**

21 OTHER EXPENSES

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Rent	2.27	4.00
Communication expenses	104.15	93.60
Travelling and conveyance expenses	11.78	8.40
Annual fees	99.84	106.30
Processing charges	3,363.04	3,136.80
Repairs and maintenance		
- To buildings	25.06	26.60
- To computers, trading and telecommunication systems	661.15	529.90
- To others	17.81	13.10
Insurance	26.63	15.80
Rates and taxes	16.59	18.30
Advertisement and publicity	45.85	3.30

Notes to Standalone Financial Statements
for the year ended 31 March 2022

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Legal and professional fees	97.53	42.40
Printing and stationery expenses	1.82	0.70
Payment to auditor (refer note below)	4.25	4.00
Electricity charges / power fuel	26.62	32.80
Directors' sitting fees	6.65	3.60
Directors' commission	14.35	8.90
Provision for doubtful debts	303.73	292.00
Loss on sale /discard of assets (net)	-	1.30
Expenditure incurred on CSR activities (refer note 32)	34.78	57.60
Miscellaneous expenses	17.90	28.44
Total	**4,881.80**	**4,427.84**

Note :		
Payment to auditor		
As auditor:		
Audit fees	2.70	2.70
Tax audit fee	0.20	0.20
In other capacity:		
Certification matters	0.60	0.60
Limited review	0.75	0.50
Total	**4.25**	**4.00**

** The above fees payment to auditors excludes fees payment related to Public offering which is recoverable from shareholders.*

22 EARNINGS PER SHARE

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

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Net profit attributable to shareholders		
Profit before tax	1,855.32	1,158.80
Tax expense	416.45	234.20
Profit after tax	**1,438.87**	**924.60**
Weighted average number of equity shares for basic EPS	40,231,036	40,050,487
Basic earnings per share of ₹ 10/- each (in ₹)	35.77	23.08
Weighted average number of equity shares for diluted EPS	40,267,516	40,085,730
Diluted earnings per share of ₹ 10/- each (in ₹)	35.73	23.06

Notes to Standalone Financial Statements

for the year ended 31 March 2022

Movement of weighted average number of equity shares for the year:

(₹ in Million)

Particulars	1 April 2021 to 31 March 2022		1 April 2020 to 31 March 2021	
	Basic	Diluted	Basic	Diluted
Opening balance	40,139,462	40,139,462	40,007,981	40,007,981
Effect of share option exercised	91,574	91,574	42,506	42,506
Effect of share option outstanding	-	36,480	-	35,243
Weighted average number of equity shares for the period	**40,231,036**	**40,267,516**	**40,050,487**	**40,085,730**

23 FINANCIAL INSTRUMENTS

23.1 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

(₹ in Million)

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	704.63	-	-	-	-	704.63	704.63
Tax free bonds	2,705.10	-	-	-	-	2,705.10	2,705.10
Non convertible debentures	146.20	-		-	-	146.20	146.20
Trade receivables	1,977.38	-	-	-	-	1,977.38	1,977.38
Other financial assets	811.70	-	-	-	-	811.70	811.70
Total	**6,345.01**	**-**	**-**	**-**	**-**	**6,345.01**	**6,345.01**
Liabilities:							
Lease liabilities	61.87					61.87	61.87
Trade payables	988.06	-	-	-	-	988.06	988.06
Other financial liabilities	152.73	-	-	-	-	152.73	152.73
Total	**1,202.66**	**-**	**-**	**-**	**-**	**1,202.66**	**1,202.66**

The carrying value and fair value of financial instruments by categories as of 31 March 2022 were as follows:

(₹ in Million)

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	2,062.50	-	-	-	-	2,062.50	2,062.50
Bonds	2,498.92	-	-	-	-	2,498.92	2,498.92
Liquid mutual fund units	-	-	411.90	-	-	411.90	411.90
Non convertible debentures	625.44	-		-	-	625.44	625.44
Trade receivables	1,998.44	-	-	-	-	1,998.44	1,998.44
Other financial assets	121.81	-	-	-	-	121.81	121.81
Total	**7,307.11**	**-**	**411.90**	**-**	**-**	**7,719.01**	**7,719.01**

Notes to Standalone Financial Statements

for the year ended 31 March 2022

(₹ in Million)

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		
Liabilities:							
Lease liabilities	116.84	-	-	-	-	116.84	116.84
Trade payables	957.00	-	-	-	-	957.00	957.00
Other financial liabilities	133.47	-	-	-	-	133.47	133.47
Total	**1,207.31**	**-**	**-**	**-**	**-**	**1,207.31**	**1,207.31**

23.2 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

(₹ in Million)

Particulars	As at 31 March 2021	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units		-	-	-
Investments in tax free and government bonds		-	2,705.10	-
Investments in non convertible debentures		146.20	-	-

(₹ in Million)

Particulars	As at 31 March 2022	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units		-	411.90	-
Investments in government bonds		-	2,498.92	-
Investments in non convertible debentures		625.44	-	-

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 of non-convertible debentures is based on quoted prices.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

23.3 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 ₹ 1998.44 Million and ₹ 1,977.42 Million as of 31 March 2022 and 31 March 2021, 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.

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

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Revenue from top customer	6.00	5.00
Revenue from top five customers	15.00	15.00

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances is as below:

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	410.20	118.20
Amounts written off	(11.03)	-
Net remeasurment of loss allowance	303.73	292.00
Balance at the end	**702.90**	**410.20**

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.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Sales to certain customers are either based on advance payments or restricted to certain limits to contain exposures to credit risk.

Expected credit loss (ECL):

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available information etc.) and applying experienced credit judgement. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses, giving due regard for probable exposures on disputed dues or dues that are subject to litigation. Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Company expects the historical trend of minimal credit losses to continue.

Notes to Standalone Financial Statements
for the year ended 31 March 2022

In calculating expected credit loss, the Company has taken into account estimates of possible effect from pandemic relating to COVID-19. Basis this assessment, the management believes allowance required for doubtful trade receivables provided in books is considered adequate.

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:

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Current assets	5,304.02	3,851.90
Current liability	1,756.07	1,714.81
Working capital	3,547.95	2,137.09
Cash and cash equivalents	2,062.50	704.63
Investments	553.36	114.40

As of 31 March 2021 and 31 March 2022, the outstanding employee benefit obligations were ₹ 96.09 Million and ₹ 52.82 Million (refer note no 16 and 24) respectively, which will be 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 2022:

(₹ in Million)

Particulars	Less than 1 year	1-2 years	3-7 years	Total
Trade payables	957.00	-	-	957.00
Lease liabilities	37.61	79.23	-	116.84
Other financial liabilities	124.20	-	-	124.20

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2021:

(₹ in Million)

Particulars	Less than 1 year	1-2 years	3-7 years	Total
Trade payables	988.10	-	-	988.10
Lease liabilities	43.30	18.60	-	61.90
Other financial liabilities	152.70	-	-	152.70

24 DISCLOSURE UNDER INDIAN ACCOUNTING STANDARD 19 (IND AS 19) ON EMPLOYEE BENEFITS:

i) Defined contribution plan:

(a) The Company's contribution towards superannuation amounts to ₹ 17.56 Million (31 March 2021: ₹ 18.39 Million). These contributions are made to the fund administered and managed by Life Insurance Corporation of India. The Company's monthly contributions are charged to the statement of profit and loss in the period they are incurred.

(b) Provident fund: Eligible employees of the Company receive benefit under the provident fund which is a defined contribution plan wherein 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 ₹ 26.67 Million (31 March 2021 - ₹ 25.42 Million).

Notes to Standalone Financial Statements

for the year ended 31 March 2022

ii) Defined benefit plan :

Gratuity: The 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:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Weighted average duration of the projected benefit obligation	11	11
Discount rate	7.23%	6.80%
Rate of return on plan assets	7.23%	6.80%
Salary escalation	8.00%	8.00%
Attrition rate	5.00%	5.00%

(ii) Sensitivity analysis:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Delta effect of +1% change in rate of discounting	(36.52)	(37.14)
Delta effect of -1% change in rate of discounting	42.36	43.29
Delta effect of +1% change in rate of salary increase	41.62	42.35
Delta effect of -1% change in rate of salary increase	(36.59)	(37.07)
Delta effect of +1% change in rate of employee turnover	(2.56)	(3.95)
Delta effect of -1% change in rate of employee turnover	2.85	4.43

(iii) Table showing change in benefit obligation:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Liability at the beginning of the year	437.88	439.84
Interest cost	29.86	30.12
Current service cost	36.27	30.35
Benefits paid	(6.32)	(85.33)
Actuarial (gains)/losses on obligations - due to change in demographic assumption	0.17	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(17.44)	2.79
Actuarial (gains)/losses on obligations - due to experience	(8.09)	20.11
Liability at the end of the year	**472.33**	**437.88**

(iv) Table showing fair value of plan assets:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Fair value of plan assets at the beginning of the year	341.79	372.66
Interest income	23.16	25.50
Contributions	49.97	34.66
Benefits paid	(6.32)	(85.33)
Return on Plan Assets, Excluding Interest Income	10.91	(5.70)
Fair value of plan assets at the end of the year	**419.51**	**341.79**

Notes to Standalone Financial Statements
for the year ended 31 March 2022

(v) Amount recognised in the Balance Sheet:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Fair value of plan assets as at the end of the year	419.51	341.79
Liability as at the end of the year	472.33	437.88
Net (liability) disclosed in the Balance Sheet	**(52.82)**	**(96.09)**

(vi) Net interest cost for current year:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest cost	29.86	30.12
Interest income	(23.16)	(25.50)
Net interest cost for current year	**6.70**	**4.62**

(vii) Expenses recognised in the Statement of profit and loss:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	36.27	30.35
Net interest cost	6.70	4.62
Expenses recognised in the Statement of profit and loss	**42.97**	**34.97**

(viii) Expenses recognised in the other comprehensive income (OCI):

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expected return on plan assets	(10.91)	5.70
Actuarial (gain) / loss	(25.34)	22.90
Net (income)/expense for the year recognized in OCI	**(36.25)**	**28.60**

(ix) Balance sheet reconciliation:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening net liability	96.09	67.18
Expenses recognized in statement of profit and loss	42.95	34.97
Expenses recognized in OCI	(36.25)	28.60
Employers contribution	(49.97)	(34.66)
Amount recognised in the balance sheet	**52.82**	**96.09**

(x) Category of assets:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
LIC of India - Insurer managed funds	419.51	341.79
Total	**419.51**	**341.79**

Notes to Standalone Financial Statements

for the year ended 31 March 2022

(xi) Expected contribution for next year:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expected contribution for next year	32.68	28.77
Total	**32.68**	**28.77**

(xii) Maturity Analysis of the Benefit Payments:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	69.81	20.53
2nd Following Year	21.17	27.29
3rd Following Year	21.91	56.32
4th Following Year	32.77	20.45
5th Following Year	53.35	28.74
Sum of Years 6 To 10	149.19	164.10
Sum of Years 11 and above	665.18	630.61

(xiii) Details of the benefit plan for the current year and previous four years:

(₹ in Million)

Particulars	2021-22	2020-21	2019-20	2018-2019	2017-2018
Present value of the defined benefit obligation	472.33	437.88	439.85	356.75	307.00
Fair value of the plan assets	419.51	341.79	372.66	328.69	273.70
Deficit in the plan	52.82	96.09	67.19	28.06	33.30
Experience adjustments arising on					
- plan assets	-	-	-	-	-
- plan liabilities loss / (gain)	(8.09)	20.11	7.38	4.99	15.40

25 SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker for assessing the Company's performance and allocating the resources based on an analysis of various performance indicators by business segments and geographic segments.

The Company is mainly engaged in the business of providing IT enabled e-Governance services to its clients in India. All other activities of the Company revolve around the main business. These activities are conducted only in one geographic segment viz India. Therefore, the disclosure requirements of Ind AS 108 "Segment Reporting" are not applicable.

26 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:

Notes to Standalone Financial Statements

for the year ended 31 March 2022

Names of the related parties and related party relationship

26 (a) Related party

a.	**Entities having singnificant influence**
	IIFL Special Opportunities Fund (from February 16, 2018)
	NSE Investments Limited (erstwhile NSE Strategic Investments Corporation Limited) (from October 1, 2013)
b.	**Key Managerial Personnel**
	Mr. Gagan Rai - Managing Director & Chief Executive Officer (upto February 17, 2021)
	Mr Suresh Sethi - Managing Director & Chief Executive Officer (From February 18, 2021)
	Mr. Jayesh Sule - Whole Time Director & Chief Operating Officer
	Mr. Tejas Desai - Chief Financial Officer
	Mr.Maulesh Kantharia - Company Secretary
c.	**Subsidiaries**
	NSDL e-Governance(Malaysia) SDN BHD
	Protean eGov Technologies Australia Pty Ltd (Formerly known as NSDL e-Governance Australia Pty Ltd) (from 9 December, 2020)
	NSDL e-Governance Account Aggregator Limited (from 2 November 2020)
	Protean Infosec Services Limited (Formerly known as NSDL e-Governance Infosec Services Limited) (from 30 September 2021)
d.	**Associates**
	Open Network for Digital Commerce (from 30 December 2021 upto 08 March 2022)

Details of transactions with related parties are as follows :

26 (b)

(₹ in Million)

Nature of transactions	2021-22				2020-21			
	Key Managerial Personnel	Subsidiaries	Associates	Entities having significant influence	Key Managerial Personnel	Subsidiaries	Associates	Entities having significant influence
Dividend paid								
IIFL Special Opportunities Fund	-	-	-	108.00	-	-	-	540.00
NSE Investments Limited	-	-	-	90.16	-	-	-	450.80
Mr Gagan Rai	-	-	-	-	2.76	-	-	-
Mr Jayesh Sule	0.37	-	-	-	0.53	-	-	-
Mr Tejas Desai	0.08	-	-	-	0.28	-	-	-
Mr. Maulesh Kantharia	0.02	-	-	-	0.07	-	-	-
Remuneration paid								
Mr Gagan Rai	-	-	-	-	100.80	-	-	-
Mr Jayesh Sule	38.15	-	-	-	28.70	-	-	-
Mr Suresh Sethi	41.64	-	-	-	2.10	-	-	-
Mr Tejas Desai	8.30	-	-	-	8.40	-	-	-
Mr. Maulesh Kantharia	3.61	-	-	-	3.00	-	-	-
Advances given								
Protean eGov Technologies Australia Pty Ltd	-	0.07	-	-	-	2.40	-	-

Notes to Standalone Financial Statements

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(₹ in Million)

Nature of transactions	2021-22				2020-21			
	Key Managerial Personnel	Subsidiaries	Associates	Entities having significant influence	Key Managerial Personnel	Subsidiaries	Associates	Entities having significant influence
NSDL e-Governance Account Aggregator Limited	-	-	-	-	-	0.62	-	-
Protean Infosec Services Limited	-	1.09	-	-	-	-	-	-
Investment in subsidiaries								
Protean eGov Technologies Australia Pty Ltd	-	-	-	-	-	0.06	-	-
NSDL e-Governance Account Aggregator Limited	-	-	-	-	-	30.00	-	-
Protean Infosec Services Limited	-	80.00	-	-	-	-	-	-
Investment in Associates								
Open Network For Digital Commerce	-	-	100.00	-	-	-	-	-
Share based payment								
Mr Gagan Rai	-	-	-	-	10.66	-	-	-
Mr Suresh Sethi	9.95	-	-	-	9.52	-	-	-
Mr Jayesh Sule	0.34	-	-	-	5.56	-	-	-
Mr Tejas Desai	0.19	-	-	-	1.68	-	-	-
Mr.Maulesh Kantharia	0.07	-	-	-	0.66	-	-	-
Closing balance								
Advances given								
NSDL e-Governance(Malaysia) SDN BHD	-	4.20	-	-	-	4.20	-	-
Protean eGov Technologies Australia Pty Ltd	-	2.47	-	-	-	2.40	-	-
Protean Infosec Services Limited	-	1.09	-	-	-	-	-	-
Investment in subsidiaries								
Protean eGov Technologies Australia Pty Ltd	-	0.06	-	-	-	0.06	-	-
NSDL e-Governance Account Aggregator Limited	-	30.00	-	-	-	30.00	-	-
Protean Infosec Services Limited	-	80.00	-	-	-	-	-	-

The above remuneration excludes gratuity, leave encashment and other benefits for which separate actuarial valuation is not available. Expenses incurred for listing of shares would be recoverable from selling shareholder's in proportionate to the stake sale.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

27 LEASES:

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

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as of 1 April 2021	61.00	146.10
Additions	126.15	-
Termination	18.45	16.60
Depreciation	46.89	68.50
Balance as of 31 Mar 2022	**121.81**	**61.00**

The aggregate depreciation expense on right-of-use assets is included in depreciation and amortization expense in the statement of profit and loss.

The following is the break-up of current and non-current lease liabilities as at 31 March:

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	37.61	43.30
Non-current lease liabilities	79.23	18.60
Total	**116.84**	**61.90**

The following is the movement in lease liabilities:

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as of 1 April 2021	61.90	139.00
Additions	120.44	-
Finance cost accrued during the year	4.83	9.36
Deletions		
Termination	20.93	17.30
Payment of lease liabilities	49.40	69.16
Balance as of 31 March 2022	**116.84**	**61.90**

Interest on lease liabilities is ₹ 9.36 Million for the year ended on 31 March 2021 and ₹ 4.83 Million for the year ended on 31 March 2022.

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

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	46.89	47.10
One to five years	86.78	19.10
More than five years	-	-
Total	**133.67**	**66.20**

Rental expense recorded for short-term leases and low- value assets was ₹ 2.27 Million for the year ended 31 March 2022 and ₹ 4.0 Million for the year ended 31 March 2021.

The total cash outflow for leases is ₹ 51.67 Million for the year ended 31 March 2022 and ₹ 73.16 Million for the year ended 31 March 2021, including cash outflow of short-term leases and leases of low-value assets.

Notes to Standalone Financial Statements

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28 CAPITAL AND OTHER COMMITMENTS

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Commitments	17.40	2.50
Other Commitments - Bank guarantee	74.60	78.52

Refer note 27 for contractual maturities of lease liability i.e. lease commitments.

29 CONTINGENT LIABILITIES:

(i) On account of disputed demand raised by Sales tax officer for MVAT and CST: ₹ 226.32 Million (31 March 2021: ₹ 226,32 Million)[@]

(ii) Claims against the Group not acknowledged as debts: ₹ 9.9 Million (31 March 2022: ₹ 9.9 Million and 31 March 2021: ₹ 9.9 Million) (net)[#]

Based on management evaluation and advice of tax consultants, these claims are not tenable against the Group, and therefore no provision for this contingency has been established.

(iii) On account of demand raised by Income tax officer for AY 2016-2017: ₹ 13.71 Million (31 March 2021: Nil)[$]

[#] 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 Group. The Group has filed an appeal before the Sales Tax Tribunal and paid a deposit of ₹ 14.2 Million under protest. The amounts assessed as contingent liability do not include interest that could be claimed by the authorities. In terms of its order dated 28 January 2022, the tax tribunal has quashed and set aside the order passed by the first Appellate Authority (Sales Tax).

[$] Demand raised by Income tax officer is on account of dis-allowance of deduction claimed by the Company under Section 35AC and chapter VI-A of Income tax Act, 1961 in income tax return filed for Assessment Year 2016-17 via order dated 10.02.2022. Company has filed rectification application as well as appeal to CIT(A) against said demand.

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:

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	56.63	167.10
- 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	-	-

Notes to Standalone Financial Statements

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31 EMPLOYEE STOCK OPTION PLAN

The shareholders of the Company had approved NSDL Employees Stock Option Plan, 2017 on December 4, 2017 to be provided to specified categories of employees of the Company. The options are to be granted at exercise price per option of ₹ 310, upon vesting, which 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 provided that 25% of the options granted will vest on 1st, 2nd, 3rd and 4th anniversary from the date of grant. Also there is additional 38240 options granted on November 18, 2021 to the option holders with exercise price per option of ₹ 10 upon vesting, which shall entitle the holder to acquire 1 equity share of ₹ 10 as face value provided that additional option granted will vest after completion of 1 year from the date of grant.

Grant date	Exercise Price	Options granted	Options vested and Exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
December 4, 2017	310	3,96,192	27,196	-	3,44,076	24,920	27,196
September 18, 2020	310	20,000	-	-	20,000	-	-
December 3, 2020	310	40,000	-	20,000	20,000	-	20,000
November 18, 2021	10	38,240	-	36,060		2,180	36,060
Total		**4,94,432**	**27,196**	**56,060**	**3,84,076**	**27,100**	**83,256**

Movement of stock options during the year

Particulars	As at 31 March 2022				As at 31 March 2021			
	No. of options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)	No. of options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	2,92,719	310	310	2.68	3,80,492	310	310	3.03
Granted during the year	38,240	10	10	3.00	60,000	310	310	3.94
Forfeited during the year	(3,089)	(10-310)	98	-	(16,294)	310	310	-
Exercised during the year	(2,44,614)	310	310	-	(1,31,481)	310	310	-
Rounding off difference	-	-	-	-	2	-	-	-
Outstanding at the end of the year	**83,256**	**(10-310)**	**180**	**3.15**	**2,92,719**	**310**	**310**	**2.68**
Exercisable at the end of the year	27,196	310	310	2.11	1,70,326	310	310	1.87

The weighted average remaining contractual life for the share options outstanding as at March 31, 2022 was 3.15 years (March 31 2021 : 2.68 years). The weighted average share price for the options exercised during the year was ` 310 (March 31 2021 : ₹ 310). Maximum Term of the options is 7 Years.

The weighted average fair value of the options granted during the year was ₹ 616 (March 31 2021 : ₹ 295). The weighted average share price for the options granted during the year was ₹ 667 (March 31 2021 : ₹ 468).

The aggregate compensation cost of ₹ 15.65 Million (31 March 2021: ₹ 12.97 Million) has been recognised under the ESOP plan 2017 and has been disclosed under Employee benefit expense under note 20.

Notes to Standalone Financial Statements
for the year ended 31 March 2022

Significant assumptions used to estimate the fair value of options:

		Grant date Sep 18, 2020	Grant date Dec 2, 2020	Grant date Nov 18, 2021
1.	Risk Free Interest Rate	4.66%	4.48%	4.72%
2.	Expected Life	2.50	3.00	2.50
3.	Expected Volatility	104.65%	89.63%	78.12%
4.	Dividend Yield	2.14%	2.14%	1.39%
5.	Price of the underlying share in market at the time of the option grant (₹)	468.00	468.00	647.00

32 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

33 RATIOS

Particulars	As at 31 March 2022	As at 31 March 2021
Current Ratio *	3.02	2.25
Net profit Ratio **	21%	15%
Return on Equity **	18%	14%
Return on Capital employed **	23%	17%
Return on Investment	9%	9%
Net Capital turnover Ratio	0.88	0.90
Trade receivables turnover ratio	3.46	3.05
Trade payables turnover ratio	5.10	4.48

** Increase in current ratio is due increase in cash and cash equivalent on account of amount received as sale proceeds from Bangalore data centre.*
*** Increase in profitability ratio is due to business profit earned on sale of Bangalore data centre (Refer note 19).*

34 DETAILS OF TRANSACTION WITH STRUCK OFF COMPANIES:

Sr. No	Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on 31.03.2022	Balance outstanding as on 31.03.2021	Relationship with the Struck off company, if any, to be disclosed
1	Mahimtura Consultants (Vashi) Pvt Ltd	Vendor balance written off	-	0.11	-
2	Integra Micro Systems Pvt Ltd	Receivables	0.01	0.01	-
3	Commscope Solutions India Privatelimited	Receivables	0.01	0.01	-
4	Satguru Cements Private Limited	Receivables	*0.00	Nil	-
5	Pravasi Enterprises Ltd	Receivables	**0.00	**0.00	-
6	Midwest Granite (Pondicherry) Private Limited	Receivables	@0.00	@0.00	-
7	Haldiram Snacks Pvt Ltd	Receivables	#0.00	#0.00	-
8	Whizkids Computer Pvt Ltd	Receivables	$0.00	$0.00	-

*Amount rounded off here i.e * ₹ 1,494, ** ₹ 254, @ ₹ 3,065, # ₹ 1,523, $ ₹ 95 (31.03.2021, ** ₹ 102, @ ₹ 2,443, # ₹ 387, $ ₹ 488)*

Notes to Standalone Financial Statements
for the year ended 31 March 2022

35 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

36 During the year the Company has not utilised any amount of share premium.

37 CORPORATE SOCIAL RESPONSIBILITY

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 required to be spent by the Company on Corporate Social Responsibility activities during the financial year 2021-22 is ₹ 29.78 Million (31 March 2021: ₹ 36 Million).

b) Amount spent during the year:

(₹ in Million)

Particulars	Amount paid	Paid in subsequent period	Yet to be paid	Total
31 March 2021				
Construction / acquisition of any asset	-	-	-	-
On purpose other than above	38.60	-	-	38.60
31 March 2022				
Construction / acquisition of any asset	-	-	-	-
On purpose other than above	29.78	-	-	29.78

38 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 achieves maximum returns (net of taxes) with minimum risk to the capital and it considers 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, non convertible debentures, mutual funds as per the Company's investment policy.

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

39 INVESTOR EDUCATION & PROTECTION FUND

For the year ended 31 March 2022 and 31 March 2021, 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2022

40 SOCIAL SECURITY CODE

The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in the case of Surya Roshni Ltd. versus Employees Provident Fund, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

41 COVID -19

The beginning of 2020 witnessed the global spread of COVID-19, i.e. coronavirus which is continuing in the current period. It is an evolving human tragedy declared as global pandemic by the World Health Organisation with an adverse impact on economy and business. Global threat is continuing to grow, and at a rapidly accelerating rate.

Considering the unprecedented and ever evolving situation, the Group during the current period has performed detailed re-assessment of its current and non-current assets comprising of tangible and intangible assets, investments, receivables (including unbilled), assets held for sale and other current assets considering both internal and external information available till date. On the basis of current assessment and estimates, the Group does not see risk of recoverability of its current and non-current assets and accordingly, no material adjustment is required in these financial statements.

Given the uncertainties associated with nature, condition and duration of COVID -19, the impact assessment on the Group's financial statements will be continuously made and provided for as required. Considering the fact that the global situation is evolving day by day with new facts and numbers, the management is continuously monitoring the material changes for current period and for the subsequent period.

42 NEW STANDARDS OR OTHER AMENDMENTS ISSUED BUT NOT YET EFFECTIVE:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, Key amendments are as below:

Ind AS 16 – Property Plant and equipment-

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that related directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Notes to Standalone Financial Statements

for the year ended 31 March 2022

43 SUBSEQUENT EVENTS

Dividends declared by the Company are based on profits available for distribution. On 28 June 2022, the Board of Directors of the Company have proposed a final dividend of ₹ 10 per share in respect of the year ended 31 March 2022. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. It would result in a cash outflow of approximately ₹ 403.84 Million.

As per our report of even date attached

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place: Mumbai
Date: 28 June 2022

For and on behalf of the Board of Directors of
Protean eGov Technologies Limited
(CIN: U72900MH1995PLC095642)

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Suresh Sethi
Managing Director & CEO
DIN-06426040

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place: Mumbai
Date: 28 June 2022

Consolidated Financials

Independent Auditor's Report

To the Members of Protean eGov Technologies Limited (formerly known as NSDL e-Governance Infrastructure Limited)

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Protean eGov Technologies Limited (formerly known as NSDL e-Governance Infrastructure Limited) (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, 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 reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, 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 2022, of its 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

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 directors' report, but does not include the consolidated 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 reports of other auditors, 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 AND BOARD OF DIRECTORS' RESPONSIBILITIES 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 term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/(loss) 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 Management and 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 Management and Board of 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 the respective Board of Directors 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

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

- Conclude on the appropriateness of Management and Board of Directors 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 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. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

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, 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.

OTHER MATTERS

(a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 111.95 million as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ nil and net cash flows (before consolidation adjustments) amounting to ₹ 79.71 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the audit reports of the other auditors.

One of the aforesaid subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by other auditors under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The financial statements of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹ NIL as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ NIL and net cash flows (before consolidation adjustments) amounting to ₹ Nil for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the "Other Matters" paragraph, 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 reports of the other auditors.

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 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 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2022 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 its subsidiary companies incorporated in India 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 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 reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 36 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.

d) (i) The respective Managements of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the Note 30 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries").

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The respective Managements of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the Note 30 to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused to believe that the representations under sub-clause (i) and (ii) above contain any material mis-statement.

e) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 44 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

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 and based on the reports of the statutory auditors of such subsidiary companies, incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and one subsidiary company is in accordance with the provisions of Section 197 of the Act whereas in respect of other subsidiary company, no remuneration has been paid to the directors of such subsidiary. The remuneration paid to any director by the Holding Company and one subsidiary 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) of the Act which are required to be commented upon by us.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No.116231W/W100024

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060
ICAI UDIN: 22100060ALVDST9129

Place: Mumbai
Date: 28 June 2022

Annexure A

to the Independent Auditor's Report on Consolidated Financial Statements

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

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the auditors in the Companies (Auditor's Report) Order, 2020 report of the subsidiary company incorporated in India and included in the consolidated financial statements.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No.116231W/W100024

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060
UDIN: 22100060ALVDST9129

Place: Mumbai
Date: 28 June 2022

Annexure B

to the Independent Auditors' report on the consolidated financial statements of Protean eGov Technologies Limited for the year ended 31 March 2022

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

(Referred to in paragraph 2(A)(f) 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 Protean eGov Technologies Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 ('the Act') which are its subsidiary companies as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to the financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and its subsidiary companies, have, 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 2022, based on the internal financial controls with reference to financial statements criteria established by such companies 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 respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the 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 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 and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, 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 reports 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 insofar as it relates to two subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No.116231W/W100024

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060
ICAI UDIN: 22100060ALVDST9129

Place: Mumbai
Date: 28 June 2022

Consolidated Balance Sheet

as at 31 March 2022

Currency : (₹ in Million)

			Notes	As at 31 March 2022	As at 31 March 2021
Assets					
1	**Non-current assets**				
	a	Property, plant and equipment	2	506.85	493.87
	b	Capital work-in-progress			
	i	Capital work-in-progress on tangible assets	2B	11.74	13.41
	ii	Intangible assets under development	2B	33.18	0.80
	c	Right-of-use assets	28	121.81	61.00
	d	Other intangible assets	2	16.67	13.22
	e	Financial assets			
	i	Investments	4	3,082.90	2,736.79
	ii	Other financial assets	5	175.73	203.45
	f	Income tax assets (net)	6	269.71	277.20
	g	Deferred tax assets (net)	6	198.53	90.05
	h	Other non-current assets	7	48.46	29.48
		Total non-current assets		**4,465.58**	**3,919.27**
2	**Current assets**				
	a	Financial assets			
	i	Investments	8	553.36	114.36
	ii	Trade receivables	9	1,998.44	1,977.42
	iii	Cash and cash equivalents	10	2,067.20	734.61
	iv	Other bank balances (bank balances other than iii above)	11	267.81	416.83
	v	Other financial assets	5	161.54	191.22
	b	Other current assets	7	367.38	448.03
		Total current assets		**5,415.73**	**3,882.47**
3	**Assets held for sale**		3	**-**	**823.94**
		Total assets		**9,881.31**	**8,625.68**
		Equity and liabilities			
1	**Equity**				
	a	Equity share capital	12	403.84	401.39
	b	Other equity	13	7,478.08	6,276.89
		Equity attributable to shareholders of the company		**7,881.92**	**6,678.28**
		Non-controlling interest	13&27	(1.88)	(1.85)
		Total equity		**7,880.04**	**6,676.43**
2	**Liabilities**				
	1	**Non-current liabilities**			
	a	Financial liabilities			
	i	Lease liabilities	28	79.23	18.60
	b	Provisions	16	151.80	204.47
	c	Other non-current liabilities	17	13.68	11.22
		Total non current liabilities		**244.71**	**234.29**
	2	**Current liabilities**			
	a	Financial liabilities			
	i	Lease liabilities	28	37.61	43.30
	ii	Trade payables			
		Dues of micro enterprises and small enterprises	14 & 31	56.63	167.10
		Dues of creditors other than micro enterprises and small enterprises	14	900.59	821.31
	iii	Other financial liabilities (Other than provisions in (b) below)	15	133.72	152.56
	b	Provisions	16	52.13	33.83
	c	Other current liabilities	17	536.66	496.86
	d	Income tax liability (net)	6	39.22	-
		Total current liabilities		**1,756.56**	**1,714.96**
		Total equity and liabilities		**9,881.31**	**8,625.68**
See accompanying notes to the consolidated financial statements			1 to 44		

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
Protean eGov Technologies Limited
(CIN: U72900MH1995PLC095642)

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Suresh Sethi
Managing Director & CEO
DIN-06426040

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place: Mumbai
Date: 28 June 2022

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place: Mumbai
Date: 28 June 2022

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

Currency : (₹ in Million) except equity share and per equity share data

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Income:			
Revenue from operations	18	6,909.09	6,031.32
Other income	19	790.32	490.38
Total Income		**7,699.41**	**6,521.70**
Expenses			
Employee benefits expense	20	786.76	752.67
Finance costs	28	4.83	9.44
Depreciation and amortisation expense	2 & 28	168.40	172.79
Other expenses	21	4,883.99	4,430.35
Total Expenses		5,843.98	5,365.25
Profit before tax		1,855.43	1,156.45
Less : Tax expenses			
Current tax	6	525.26	298.80
Deferred tax	6	(108.43)	(65.30)
Total tax expenses		**416.83**	**233.50**
Profit for the year (A)		**1,438.60**	**922.95**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the defined benefit liability / asset	23	36.25	(28.60)
Total other comprehensive income (net of tax) (B)		**36.25**	**(28.60)**
Total comprehensive income (A+B)		**1,474.85**	**951.55**
Profit for the year attributable to:			
Shareholders of the Company		1,438.63	923.05
Non-Controlling interest		(0.03)	-
		1,438.60	**923.05**
Other comprehensive income for the year attributable to:			
Shareholders of the Company		36.25	(28.60)
Non-Controlling interest		-	-
		36.25	**(28.60)**
Total comprehensive income for the year attributable to:			
Shareholders of the Company		1,474.88	894.42
Non-Controlling interest		(0.03)	-
		1,474.85	**894.42**
Equity shares of par value ₹ 10 each			
- Basic (₹)	22	35.76	23.05
- Diluted (₹)	22	35.73	23.03
See accompanying notes to the consolidated financial statements	1 to 44		

As per our report of even date attached

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place: Mumbai
Date: 28 June 2022

For and on behalf of the Board of Directors of
Protean eGov Technologies Limited
(CIN: U72900MH1995PLC095642)

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Suresh Sethi
Managing Director & CEO
DIN-06426040

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place: Mumbai
Date: 28 June 2022

Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

A. EQUITY SHARE CAPITAL

Currency : (₹ in Million)

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
400.08	1.31	401.39

**Represents value less than ₹ 0.5 Million.*

Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
401.39	2.45	403.84

B. OTHER EQUITY

Currency : (₹ in Million)

Particulars	Other equity#						Attributable to non controlling interest	Total
	Attributable to owners of the company							
	Reserves and Surplus			ESOP Reserve	Securities premium	Other items of comprehensive income		
	Capital redemption reserve	General reserve	Retained earnings					
Balance as at the April 1, 2020	**250.00**	**3,984.30**	**2,851.50**	**46.80**	**2.39**		**(1.85)**	**7,133.14**
Profit for the year	-	-	923.05	-	-	-	-	923.05
Other comprehensive loss	-	-	(28.60)	-	-		-	(28.60)
Share based payment expense	-	-	-	12.97	-	-	-	12.97
Transfer from ESOP Reserve on exercise of stock options/options unexercised	-	2.19	-	(12.85)	10.66	-	-	-
Issue of shares on account of exercise of stock options	-	-	-	-	39.44	-	-	39.44
Dividend (including tax on dividend)	-	-	(1,804.96)	-	-	-	-	(1,804.96)
Balance as at the 31 March 2021	**250.00**	**3,986.49**	**1,940.99**	**46.92**	**52.49**	**-**	**(1.85)**	**6,275.04**

Consolidated Statement of Changes in Equity (contd.)

for the year ended 31 March 2022

Currency : (₹ in Million)

Particulars	Other equity#						Attributable to non controlling interest	Total
	Attributable to owners of the company							
	Reserves and Surplus			ESOP Reserve	Securities premium	Other items of comprehensive income		
	Capital redemption reserve	General reserve	Retained earnings					
Balance as at the April 1, 2021	**250.00**	**3,986.49**	**1,940.99**	**46.92**	**52.49**	**-**	**(1.85)**	**6,275.04**
Profit for the year	-	-	1,438.63	-	-	-	(0.03)	1,438.60
Other comprehensive loss	-	-	36.25	-	-		-	36.25
Share based payment expense	-	-	-	15.65		-	-	15.65
Transfer from ESOP Reserve on exercise of stock options/options unexercised	-	-	-	(40.17)	40.17	-	-	-
Issue of shares on account of exercise of stock options					73.38			73.38
Dividend	-	-	(362.72)	-	-	-	-	(362.72)
Balance as at the 31 March 2022	**250.00**	**3,986.49**	**3,053.15**	**22.40**	**166.04**	**-**	**(1.88)**	**7,476.20**

Note:

#*Purpose of Reserve stated as follows:*

(a) **Capital redemption reserve:** Capital redemption reserve is created to purchase 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.

(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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place: Mumbai
Date: 28 June 2022

For and on behalf of the Board of Directors of
Protean eGov Technologies Limited
(CIN: U72900MH1995PLC095642)

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Suresh Sethi
Managing Director & CEO
DIN-06426040

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place: Mumbai
Date: 28 June 2022

Consolidated Cash Flow Statements

for the year ended 31 March 2022

Currency : (₹ in Million)

		For the year ended 31 March 2022	For the year ended 31 March 2021
A)	**Cash flow from operating activities**		
	Profit before tax	1,855.43	1,156.52
	Adjustments for:		
	Depreciation and amortisation	168.40	172.79
	Amortisation of premium / discount on Govt/Debt Securities	19.56	11.30
	Loss on sale /discard of assets (net)	-	1.30
	Profit on discard of leased assets (net)	(2.49)	(0.70)
	Provision for doubtful debts	303.73	292.00
	Interest income on interest on financial assets carried at amortised cost	(196.54)	(262.70)
	Interest income on bank deposits	(38.19)	(24.80)
	Finance costs	4.83	9.36
	Share based payments to employees	15.65	12.97
	Profit on sale /discard of assets (net)	(438.96)	-
	Profit on sale of investments carried on amortised cost	(0.02)	(52.30)
	Dividend income	(13.11)	(9.20)
	Operating cash flow before changes in working capital	**1,678.29**	**1,306.54**
	Changes in working capital		
	Trade receivables	(324.79)	(162.27)
	Other financial assets and other assets	52.41	34.60
	Trade payables	(31.28)	101.12
	Other financial liabilities, other liabilities and provisions	46.62	41.30
	Cash generated from operations	**1,421.25**	**1,321.29**
	Income taxes paid (Net)	(478.55)	(319.12)
	Net cash generated from operating activities (A)	**942.70**	**1,002.17**
B)	**Cash flow from investing activities**		
	Purchase of property plant and equipment and capital advances given	(189.92)	(94.50)
	Proceeds from sale of property, plant and equipment	1,320.00	-
	Interest received	234.73	315.90
	Dividend received	13.11	9.20
	Purchase of non-current investments (net of interest accrued upto date of purchase)	(498.71)	-
	Purchase of current investments	(411.90)	(400.00)
	Investment in fixed deposits	-	(326.20)
	Liquidation of fixed deposit	149.02	-
	Maturity / (Placement) of restricted deposit	3.85	-
	Proceeds from sale of non-current investments	106.00	1,040.80
	Proceeds from sale of current investments	-	610.00
	Net cash generated from / (used in) investing activities (B)	**726.18**	**1,155.20**

Consolidated Cash Flow Statements (contd.)

for the year ended 31 March 2022

Currency : (₹ in Million)

		For the year ended 31 March 2022	For the year ended 31 March 2021
C)	**Cash flow from financing activities**		
	Proceeds from exercise of stock options	75.82	40.70
	Dividend paid	(362.72)	(1,804.70)
	Lease liability paid	(49.40)	(69.16)
	Net cash used in financing activities (C)	**(336.30)**	**(1,833.16)**
	Net increase in cash and cash equivalents at the end of the year (A+B+C)	**1,332.58**	**324.21**
	Cash and cash equivalents at the beginning of the year	**734.61**	**410.40**
	Cash and cash equivalents at the end of the year	**2,067.20**	**734.61**

Notes to Consolidated Cash Flow Statement:

1. Cash and cash equivalents represents cash, bank balances and bank deposits with original maturity of less than three months.
2. The company has used profit before tax as starting point for presenting operating cash flow using indirect method.
3. **Changes in liabilities arising from financing activities**

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance of lease liabilities	61.90	138.92
Additions on account of adoption of Ind AS 116	120.44	-
Interest accrued during the year	4.83	9.44
Termination	20.93	17.30
Cash flow movement	49.40	69.16
Closing balance of lease liabilities	116.84	61.90

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place: Mumbai
Date: 28 June 2022

For and on behalf of the Board of Directors of
Protean eGov Technologies Limited
(CIN: U72900MH1995PLC095642)

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Suresh Sethi
Managing Director & CEO
DIN-06426040

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place: Mumbai
Date: 28 June 2022

Notes to Consolidated Financial Statements

for the year ended 31 March 2022

1. CORPORATE INFORMATION

Protean eGov Technologies Limited (formerly 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 Company, together with its subsidiaries, has been referred to as 'the Company' or 'the Group' in these financial statements.

The name of the company has been changed from NSDL e-Governance Infrastructure Limited to Protean eGov Technologies Limited with effect from the date of 08 December 2021. The company is a public limited company and domiciled in India. The address of the corporate office is 1st floor, Times Tower, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

The Board of Directors of the Company at its meeting held on 23 March 2021 has approved Offer for Sale of Equity Shares by certain existing shareholders of the Company and for listing of the Equity Shares on one or more of the recognised stock exchanges in India in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, relevant provisions of the Companies Act, 2013, and other applicable laws.

The consolidated financial statements for the year ended 31 March 2022 were approved for issue in accordance with the resolution of the Company's Board of Directors on 28 June 2022.

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. These consolidated financial statements includes consolidated Balance Sheet as at 31 March 2022 consolidated statement of profit and loss (including other comprehensive income) for the year then ended, 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 (hereinafter referred to as "consolidated financial statements").

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.

b) Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company and its Indian subsidiaries. The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates. All amounts have been rounded to the nearest million, upto two place of decimal, unless otherwise stated.

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 year. 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.

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation

These Consolidated Financial Statements do not reflect the effects of events that occurred subsequent to the date of board meeting in which the Consolidated Financial Statements is approved.

Notes to Consolidated Financial Statements

for the year ended 31 March 2022

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

c) **Basis of Consolidation**

Subsidiaries:

Subsidiaries are all entities over which Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as fixed assets are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidated financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2022.

Non-controlling interest

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition to acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

Notes to Consolidated Financial Statements

for the year ended 31 March 2022

List of entities Consolidated:

Particulars	Country of Incorporation	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20
NSDL e-Governance (Malaysia) SDN BHD	Republic of Malaysia	51%	51%	51%
NSDL e-Governance Australia Pty Ltd (incorporated on 9 December 2020)	Australia	100%	100%	NA
NSDL e-Governance Account Aggregator Limited (incorporated on 2 November 2020)	India	100%	100%	NA
NSDL e-Governance Infosec Services Limited (from 30 September 2020)	India	100%	100%	NA

** The company being subscriber to the memorandum of the Open Network for Digital Commerce and was formed on 30 December 2021. Considering there are no transaction upto 31 March 2022 since incorporation. Share of profit or loss for the group of said entity is not material accordingly not consolidated.*

d) Use of judgements and estimates

The preparation of Consolidated Financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting year. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The areas involving significant judgement and estimates are as follows:

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 18: Revenue recognition
- Note 24: Fair value measurement of financial assets
- Note 28: Leases
- Note 4 and 8: Classification of investments

Estimates:

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:

- Note 23: Defined benefit
- Note 2: Property, plant and equipment
- Note 28: Leases
- Note 6: Income taxes
- Note 24: Fair value measurement of financial instruments
- Note 32: Share based payments
- Note 19: Other income
- Note 18: Revenue recognition
- Note 9: Trade receivables

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 year. 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 year to year. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about the assumptions and estimates could result in the outcome requiring material adjustment to the carrying amount of assets and liabilities.

Notes to Consolidated Financial Statements

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Estimation of uncertainties relating to the global health pandemic from COVID-19:

In view of the unprecedented COVID-19 pandemic and economic forecasts, the Management has evaluated the impact on the consolidated financial statements and made appropriate adjustment where necessary. In assessing the recoverability of its assets including receivables and unbilled receivables, the Group has considered internal and external information upto the date of approval of these consolidated financial statements including economic forecasts. The Group has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets.

However, the actual impact of COVID-19 on the Group's consolidated financial statements may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.

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 Group'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.

Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Income taxes

The major tax jurisdiction for the Group is 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 year 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 year 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 's'.

Notes to Consolidated Financial Statements

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Share based payments:

The Group is required to evaluate the terms to determine whether share-based payment is equity settled or cash settled. Judgment is required to do this evaluation. Further, the Group is required to measure the fair value of equity settled transactions with employees at the grant date of the equity instruments. The aforementioned inputs entered in to the option valuation model that the group uses to determine the fair value of the share awards are subjective estimates, changes to these estimates will cause the fair value of our share-based awards, and related share-based compensation expense that the group records to vary.

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.

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.

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.

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.

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.

Satisfaction of performance obligation

A contract asset is right to consideration in exchange of services that the Group has rendered to a customer when

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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.

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 year.

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

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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.

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.

Practical expedients used

In accordance with the practical expedient in Para 63 of Ind AS 115, the Group has not adjusted the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the Group 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.

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) Leases

The Group as a lessee

The Group lease asset classes primarily consist of leases for premise. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

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

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate

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of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight -line method from the commencement date over the lease term.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

h) Depreciation and amortisation

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:

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.

Depreciation is not recorded on capital work-in-progress until installation is complete and the asset is ready for its intended use. 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.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property 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.

i) 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 ready for 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.

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j) **Impairment of tangible and intangible assets**

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.

k) **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.

l) **Employee benefit costs**

- **Short- term employee benefits**

  All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the year in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

- **Post-Employment benefits**

  Defined Contribution plans

  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. The contributions, as specified under the law were made to Recognised Provident Fund.

  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

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

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actuarial valuation by an independent actuary using the Projected Unit Credit Method, which recognises each year 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.

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 year in which the absences occur.

i) 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 enforceable 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 year 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 year 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 year.

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).

j) 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 consolidated financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but

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probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. A contingent asset is not recognised in the consolidated financial statements, however, the same is disclosed where an inflow of economic benefit is probable.

k) Cash Flow statement

Cash flows are reported using the indirect method for presenting operating cash flow, whereby profit or loss for the year 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.

l) 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.

m) 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.

For the purpose of calculating diluted earnings per share, the net profit and loss for the year attributable to equity shareholders of the Group and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n) 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.

o) 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.

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).

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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.

Loans and receivables and 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.

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 consolidated 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2022

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 Group 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.

p) Share based payment

Equity settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date which is recognised over the vesting period, with the corresponding increase in equity. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

q) Corporate Social Responsibility (CSR) Expenditure

CSR expense is recognized as it is incurred by the Group or when Group has entered into any legal or constructive obligation for incurring such an expense.

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.

Notes to Consolidated Financial Statements

as at 31 March 2022

2 PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

Currency : (₹ in Million)

2(a)

	Property, Plant and Equipment							Other Intangible assets	
Particulars	**Building**	**Computers**	**Data and Telecommunication equipment**	**Electric installation**	**Office equipment**	**Furniture and fixtures**	**Total**	**Computer Softwares (others)**	**Total**
Gross carrying value as of 1 April 2021	**529.21**	**842.25**	**182.51**	**50.99**	**89.73**	**68.55**	**1,763.24**	**501.97**	**501.97**
Additions	-	103.59	8.96	1.71	6.82	-	121.08	16.86	16.86
Deletions	-	-	-	-	-	-	-	-	-
Gross carrying value as of 31 March 2022	**529.21**	**945.84**	**191.47**	**52.70**	**96.55**	**68.55**	**1,884.32**	**518.83**	**518.83**
Accumulated depreciation as of 1 April 2021	**403.29**	**593.37**	**126.31**	**39.50**	**70.01**	**36.89**	**1,269.37**	**488.75**	**488.75**
Depreciation	2.11	77.73	16.21	1.52	6.08	4.45	108.10	13.41	13.41
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-
Accumulated depreciation as of 31 March 2022	**405.40**	**671.10**	**142.52**	**41.02**	**76.09**	**41.34**	**1,377.47**	**502.16**	**502.16**
Carrying value as of 31 March 2022	**123.81**	**274.74**	**48.95**	**11.68**	**20.46**	**27.21**	**506.85**	**16.67**	**16.67**

	Property, Plant and Equipment							Other Intangible assets	
Particulars	**Building**	**Computers**	**Data and Telecommunication equipment**	**Electric installation**	**Office equipment**	**Furniture and fixtures**	**Total**	**Computer Softwares (others)**	**Total**
Gross carrying value as of 1 April 2020	**529.21**	**743.96**	**179.88**	**47.32**	**88.62**	**68.55**	**1,657.54**	**485.70**	**485.70**
Additions	-	98.29	2.63	3.67	1.11	-	105.70	16.27	16.27
Deletions	-	-	-	-	-	-	-	-	-
Gross carrying value as of 31 March 2021	**529.21**	**842.25**	**182.51**	**50.99**	**89.73**	**68.55**	**1,763.24**	**501.97**	**501.97**
Accumulated depreciation as of 1 April 2020	**401.19**	**526.21**	**111.20**	**37.80**	**63.52**	**32.09**	**1,172.01**	**481.80**	**481.80**
Depreciation	2.10	67.16	15.11	1.70	6.49	4.80	97.36	6.95	6.95
Deletions	-	-	-	-	-	-	-	-	-
Accumulated depreciation as of 31 March 2021	**403.29**	**593.37**	**126.31**	**39.50**	**70.01**	**36.89**	**1,269.37**	**488.75**	**488.75**
Carrying value as of 31 March 2021	**125.92**	**248.88**	**56.20**	**11.49**	**19.72**	**31.66**	**493.87**	**13.22**	**13.22**

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

(2b) Capital work-in-progress

(i) Capital work-in-progress on tangible assets

(₹ in Million)

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Balance as of beginning of the year	13.41	48.00
Additions	159.56	113.39
Capitalisation	(161.23)	(147.98)
Balance as at end of the year	**11.74**	**13.41**

Notes to Consolidated Financial Statements

as at 31 March 2022

(ii) Intangible assets under development

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as of beginning of the year	0.80	6.28
Additions	82.01	53.12
Capitalisation	(49.63)	(58.60)
Balance as at end of the year	**33.18**	**0.80**

Capital-Work-in Progress

(₹ in Million)

Particulars	Amount in CWIP for the year ended 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (on tangible assets)	11.74	-	-	-	11.74
Projects in progress (intangible assets under development)	33.18	-	-	-	33.18

(₹ in Million)

Particulars	Amount in CWIP for the year ended 31 March 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (on tangible assets)	13.21	0.07	-	0.13	13.41
Projects in progress (intangible assets under development)	0.80	-	-	-	0.80

3 ASSETS HELD FOR SALE

During the year, on 29 March 2022, the Company has sold its data centre unit located at Bangalore for a consideration of ₹ 1320 Million. The particulars of the assets held for sale is as under. The profit has been recognised as other income on this transaction (Refer note 19).

(₹ in Million)

Particulars	WDV of assets as on 31 March 2022	WDV of assets as on 31 March 2021
Land & Building	-	574.83
Furniture, fixture and office equipment's	-	249.11
Total	-	**823.94**

4 NON-CURRENT INVESTMENTS

A Fully Paid Unquoted Equity Investments

Particulars	Face value	As at 31 March 2022		As at 31 March 2021	
		Holdings as at	(₹ in Million)	Holdings as at	(₹ in Million)
Investment in other Companies (at cost)					
1. Open Network for Digital Commerce	₹ 10	1,000,000	100.00	-	-
			100.00		**-**

Notes to Consolidated Financial Statements

as at 31 March 2022

B Quoted Debt Securities Investments at amortised cost:

(₹ in Million)

Particulars		Rate of interest %	Year of maturity	No. of bonds/ debentures/ share	Face value	As at 31 March 2022	As at 31 March 2021
Investment in bonds							
1	Indian Railway Finance Corporation Limited	8.10	2027	50,000	1,000	53.43	53.43
2	National Highway Authority of India Limited	8.30	2027	200,000	1,000	218.17	218.17
3	Indian Railway Finance Corporation Limited	7.34	2028	250,000	1,000	257.38	257.38
4	National Highway Authority of India Limited	8.50	2029	80,000	1,000	80.00	80.00
5	Rural Electrification Corporation	8.63	2029	50,000	1,000	50.00	50.00
6	National Thermal Power Corporation Limited	7.37	2035	6,246	1,000	6.25	6.25
7	National Thermal Power Corporation Limited	7.15	2025	90	1,000,000	91.19	91.19
8	Power Finance Corporation Limited	8.46	2028	150	1,000,000	167.18	167.18
9	Rural Electrification Corporation	8.46	2028	250	1,000,000	289.37	289.37
10	National Bank for Agriculture and Rural Development	7.35	2031	50,000	1,000	52.61	52.61
11	National Hydroelectric Power Corporation Limited	8.67	2033	50,000	1,000	63.42	63.42
12	National Bank for Agriculture and Rural Development	7.35	2031	100,000	1,000	111.67	111.67
13	Indian Renewable Energy Development Agency Limited	7.17	2025	270	1,000,000	287.70	287.70
14	National Highway Authority of India Limited	7.35	2031	100,000	1,000	112.49	112.49
15	National Highway Authority of India Limited	7.39	2031	50,000	1,000	55.57	55.57
16	Indian Railway Finance Corporation Limited	7.35	2031	150,000	1,000	166.27	166.27
17	National Hydroelectric Power Corporation Limited	8.18	2023	50,000	1,000	53.75	53.75
18	EXIM Bank Limited	9.25	2022	2	1,000,000	-	1.99
19	Rural Electrification Corporation	9.35	2022	4	1,000,000	-	4.02
20	HDB Financial Services Limited	9.60	2023	2	1,000,000	-	2.00
21	HDB Finanacial Services Limited	10.19	2024	1	1,000,000	1.04	1.04
22	Indian Railway Finance Corporation Limited	9.09	2026	2	1,000,000	2.01	2.01
23	Power Finance Corporation Limited	8.94	2028	4	1,000,000	4.11	4.11
24	Indian Railway Finance Corporation Limited	8.79	2030	1	1,000,000	1.01	1.01
25	National Highway Authority of India Limited	7.26	2038	50	1,000,000	50.09	-

Notes to Consolidated Financial Statements
as at 31 March 2022

(₹ in Million)

Particulars	Rate of interest %	Year of maturity	No. of bonds/ debentures/ share	Face value	As at 31 March 2022	As at 31 March 2021
26 National Highway Authority of India Limited	7.26	2038	250	1,000,000	200.90	-
27 Indian Railway Finance Corporation Limited	6.95	2036	150	1,000,000	147.72	-
28 Power Finance Corporation Limited	9.10	2029	50	1,000,000	51.17	51.17
Investment in non convertible debentures						
29 Infrastructure Leasing & Finance Services Limited	9.55	2023	550	1,000	-	0.55
30 IDFC Bank Limited	8.80	2025	10	1,000,000	9.95	9.95
31 India Infrastructure Finance Company Limited	9.41	2037	5	1,000,000	5.60	5.60
32 National Housing Bank	8.63	2029	7,220	5,000	36.10	36.10
33 National Housing Bank	8.68	2029	40,000	5,000	205.34	205.34
34 Rural Electrification Corporation	7.21	2022	130	1,000,000	-	132.91
35 National Housing Bank	8.46	2028	40	1,000,000	44.27	44.27
36 National Housing Bank	8.76	2034	20,000	5,000	124.14	124.14
37 National Housing Bank	8.68	2029	10,000	5,000	59.13	59.13
					3,159.03	**2,801.79**
Less : Amortisation of premium					75.53	64.40
Less : Provision for impairment of assets					0.60	0.60
Total					**3,082.90**	**2,736.79**
Aggregate book value of quoted investments {Non-current + Current-(Note 8)}					3,636.26	2,851.15
Aggregate market value of quoted investments {Non-current + Current-(Note 8)}					3,939.47	3,197.00

5 OTHER FINANCIAL ASSETS

(Unsecured considered good)

(₹ in Million)

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Others				
Security deposits	101.08	116.30	-	-
Interest accrued on investments	-	-	102.62	91.63
Interest accrued on bank deposits	-	4.87	13.62	5.20
Restricted deposits with banks against performance guarantee	74.65	78.50	-	-
***Other financial receivable*	-	-	39.76	-
**Unbilled receivables*	-	3.78	5.54	94.39
Total	**175.73**	**203.45**	**161.54**	**191.22**

** Unbilled receivable ageing - less than 6 month- ₹ 5.54 Million (31.03.2021, less than 6 month- ₹ 47.20 Million, 6 month to 1 year- ₹ 47.19 Million, 1 year to 2 year- ₹ 1.15 Million, 2 year to 3 year - ₹ 1.06 Million, more than 3 year- ₹ 1.57 Million)*

*** Cost incurred towards listing related procedure, recoverable from selling shareholders.*

Notes to Consolidated Financial Statements
as at 31 March 2022

6 INCOME TAXES

(A) The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

Profit and loss section

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Current taxes	525.26	298.80
Deferred taxes	(108.43)	(65.30)
Income tax expense reported in the statement of profit and loss	416.83	233.50

Other Comprehensive Income (OCI) section

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

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Re-measurement of the defined benefit liability / asset	-	-
	-	-

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

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit before income taxes	1,855.43	1,156.45
Applicable enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	467.01	291.07
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	(51.63)	(58.70)
Expense not allowed for taxation purpose	20.96	8.68
Others	(19.51)	(7.55)
Total income tax expense	416.83	233.50

(C) The movement in the current income tax asset/ (liability) for the year ended 31 March 2022 and year ended 31 March 2021 as follows:

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Net current income tax asset/ (liability) at the beginning	277.20	256.98
Income tax paid	478.55	319.12
Current income tax expense	(525.26)	(298.90)
Net current income tax liability at the end	(39.22)	-
Net non current income tax assets at the end	269.71	277.20

Notes to Consolidated Financial Statements

as at 31 March 2022

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

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets		
Provision for compensated absences	38.03	35.63
Provision for doubtful debts	176.92	103.21
Amortization of expense	-	0.86
Others	-	2.00
Adjustment on initial application of Ind AS 115	-	0.16
Total deferred tax assets	**214.95**	**141.86**
Deferred tax liabilities		
Difference between tax balance and book balance of fixed assets	13.78	50.72
Others	2.64	1.06
Employee incentive plan	-	0.03
Total deferred tax liabilities	**16.42**	**51.81**
Deferred tax assets (net)	**198.53**	**90.05**

(E) The gross movement in the deferred tax account for the year ended 31 March 2022 and year ended 31 March 2021, is as follows:

(₹ in Million)

Particulars	As at 31 March 2022			As at 31 March 2021		
	Opening balance	Recognised in profit and loss	Closing balance	Opening balance	Recognised in profit and loss	Closing balance
Deferred tax assets/(liabilities) in relation to:						
Property, plant and equipment and intangible assets	(50.72)	36.94	(13.78)	(26.70)	(24.02)	(50.72)
Provision for compensated absences	35.63	2.40	38.03	32.17	3.46	35.63
Employee incentives payable	(0.03)	0.03	-	(4.33)	4.30	(0.03)
Deferred revenue	(1.06)	1.06	-	(2.36)	1.30	(1.06)
Provision of doubtful debts	103.21	73.71	176.92	26.76	76.45	103.21
Others	2.00	(4.69)	(2.64)	(1.81)	3.81	2.00
Amortisation of expense	0.86	(0.86)	-	0.86	-	0.86
Adjustment on initial application of Ind AS 115	0.16	(0.16)	-	0.16	-	0.16
Total deferred tax assets/(liabilities)	**90.05**	**108.43**	**198.53**	**24.75**	**65.30**	**90.05**

7 OTHER ASSETS

Unsecured, considered good

(₹ in Million)

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
(A) **Capital advances**	1.42	1.43	-	-
(B) **Other advances**				
Prepaid expenses	5.97	19.12	93.02	48.20
Deferred expenses	41.07	-	22.04	-
GST credit receivable*	-	-	119.15	219.44
Advance to suppliers	-	-	132.67	155.19
Others	-	8.93	0.50	25.20
	48.46	**29.48**	**367.38**	**448.03**

** GST credit receivable as on 31.03.2022 is after adjusting ₹ 33.82 Million provision of written off.*

Notes to Consolidated Financial Statements

as at 31 March 2022

8 CURRENT INVESTMENTS

Particulars	Year of maturity	Rate of interest	As at 31 March 2022 No. of Units	Face Value	(₹ in Million)	As at 31 March 2021 No. of Units	Face Value	(₹ in Million)
Quoted debt securities investments at amortised cost:								
Non convertible debentures								
Current portion of Non convertible debentures bonds								
1 Infrastructure Leasing & Finance Services Limited	2023	9.55	550	1,000	0.55	-	-	-
Bonds								
2 Housing Development and Finance Corporation Limited	2021	9.40	-	-	-	4	1,000,000	3.98
3 Power Finance Corporation Limited	2021	9.36	-	-	-	2	1,000,000	1.99
4 Rural Electrification Corporation	2022	9.35	4	1,000,000	4.02	-	-	-
5 EXIM Bank Limited	2022	9.25	2	1,000,000	1.99	-	-	-
6 HDB Financial Services Limited	2023	9.60	2	1,000,000	2.00	-	-	-
7 Power Finance Corporation Limited	2022	8.20	-	-	-	100,000	1,000	108.39
8 Rural Electrification Corporation	2022	7.21	130	1,000,000	132.90	-	-	-
Investments carried at fair value through profit or loss:								
Liquid Mutual funds								
1 Axis Liquid Fund - Direct Plan - Daily IDCW	-	-	51,433.59	1,000.96	51.48	-	-	-
2 UTI Liquid Cash Plan - Direct Plan - Daily Reinvestment of IDCW	-	-	49,485.67	1,042.90	51.61	-	-	-
3 LIC MF Liquid Fund- Direct Plan - IDCW	-	-	50,804.55	1,013.60	51.50	-	-	-
4 ICICI Prudential Liquid Fund - Direct Plan - Plan- Daily IDCW	-	-	514,207.12	100.11	51.48	-	-	-
5 Aditya Birla Sun Life Money Manager Fund- Daily IDCW	-	-	513,946.63	100.20	51.49	-	-	-
6 Sundaram Liquid Fund (Formerly Principal Cash Management Fund- Direct Plan IDCW Daily Reinvestment	-	-	51,418.97	1,000.64	51.45	-	-	-
7 IDFC Cash Fund- Daily IDCW	-	-	51,375.04	1,001.67	51.46	-	-	-
8 Canara Robeco Liquid Fund - Direct Daily IDCW	-	-	51,149.00	1,005.50	51.43	-	-	-
Total					**553.36**			**114.36**

Notes to Consolidated Financial Statements

as at 31 March 2022

9 TRADE RECEIVABLES

(₹ in Million)

Particulars	Current	
	As at 31 March 2022	As at 31 March 2021
Trade Receivables	2,701.34	2,375.72
Less: Allowance for doubtful trade receivables (Refer note 24.3)	702.90	398.30
Considered good	1,998.44	1,977.42
Trade Receivables	-	11.90
Less: Allowance for doubtful trade receivables	-	11.90
Credit Impaired	-	-
Total	**1,998.44**	**1,977.42**

Trade receivables outstanding and ageing schedule as follows:

Particulars		Outstanding for following periods from due date of payment as on 31 March 2022					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	1,108.16	144.16	188.38	254.35	203.39	1,898.44
(ii)	Undisputed Trade Receivables – considered doubtful	30.24	25.74	142.71	197.57	105.51	501.77
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iii)	Disputed Trade Receivables considered good	-	-	-	111.89	-	111.89
(iv)	Disputed Trade Receivables considered doubtful	-	-	105.38	83.86	-	189.24

Particulars		Outstanding for following periods from due date of payment as on 31 March 2021					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	959.36	266.54	325.03	136.99	86.25	1,774.17
(ii)	Undisputed Trade Receivables – considered doubtful	-	-	151.57	46.42	102.42	300.41
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	11.90	11.90
(iii)	Disputed Trade Receivables considered good	31.25	74.13	97.88	-	-	203.26
(iv)	Disputed Trade Receivables considered doubtful	-	-	97.88	-	-	97.88

Notes to Consolidated Financial Statements

as at 31 March 2022

10 CASH AND CASH EQUIVALENTS

(₹ in Million)

Particulars	Current	
	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Cash on hand	0.13	0.13
Balances with banks in current accounts	796.76	734.48
Cheques in hand	20.31	-
Bank deposits with original maturity for less than 3 months	1,250.00	-
	2,067.20	**734.61**

11 OTHER BANK BALANCES

(₹ in Million)

Particulars	Current	
	As at 31 March 2022	As at 31 March 2021
Bank deposits with original maturity for more than 3 months but less than 12 months	267.81	416.83
Total	**267.81**	**416.83**

Portion of deposits held as restricted deposits with bank against performance guarantee are recognised under note 5 'other financial assets'

12 EQUITY SHARE CAPITAL

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
50,00,00,000 (Previous Year 50,00,00,000) equity shares of ₹ 10 each.	5,000.00	5,000.00
Issued, Subscribed and Paid-up		
40,384,076 (31 March 2021: 40,139,462) equity shares of ₹ 10 each fully paid up	403.84	401.39
Total	**403.84**	**401.39**

a) Reconciliation of number of shares

(₹ in Million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Opening balance	40,139,462	401.39	40,007,981	400.08
Issued during the year	244,614	2.45	131,481	1.31
Closing balance	40,384,076	403.84	40,139,462	401.39

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.

Notes to Consolidated Financial Statements
as at 31 March 2022

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

(₹ in Million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Numbers of shares held	% of holding	Numbers of shares held	% of holding
NSE Investments Limited	10,018,000	24.81	10,018,000	24.96
IIFL Special Opportunities Fund	2,894,507	7.17	2,894,507	7.21
Administrator of Specified Undertaking of Unit Trust of India	2,732,000	6.77	2,732,000	6.81
IIFL Special Opportunities Fund – Series 4	2,499,178	6.19	2,499,178	6.23
IIFL Special Opportunities Fund – Series 2	2,016,366	4.99	2,016,366	5.02

d) Shareholding of Promoters as below

Shares held by promoters at the end of the period/year

(₹ in Million)

Promoter Name	As at 31 March 2022			As at 31 March 2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
There is no promoter holding at the end of the year	-	-	-	-	-	-

e) 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

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
a) Capital redemption reserve		
Balance at the beginning	250.00	250.00
Balance at the end of the year	**250.00**	**250.00**
b) General reserve		
Balance at the beginning	3,986.49	3,984.30
Transfer from ESOP Reserve on options unexercised	-	2.19
Balance at the end of the year	**3,986.49**	**3,986.49**
c) Retained earnings		
Balance at the beginning	1,940.99	2,851.50
(i) Dividend	(362.72)	(1,804.96)
(ii) Profit for the year	1,438.63	923.05
(iii) Re-measurement of the defined benefit liability / asset	36.25	(28.60)
Balance at the end of the year	**3,053.15**	**1,940.99**
d) ESOP reserve		
Balance at the beginning	46.92	46.80
(i) Share based payment expense	15.65	12.97
(ii) Transfer to General Reserve/Securities Premium on exercise of stock options/options unexercised	(40.17)	(12.85)
Balance at the end of the year	**22.40**	**46.92**

Notes to Consolidated Financial Statements

as at 31 March 2022

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
e) Securities premium		
Balance at the beginning	52.49	2.39
(i) Issue of shares to employees on account of exercise of stock options	73.38	39.44
(ii) Transfer from ESOP Reserve on exercise of stock options	40.17	10.66
Balance at the end of the year	**166.04**	**52.49**
	7,478.08	**6,276.89**

14 TRADE PAYABLES

(₹ in Million)

Particulars	Current	
	As at 31 March 2022	As at 31 March 2021
Trade payables		
Dues of micro enterprises and small enterprises	56.63	167.10
Dues of creditors other than micro enterprises and small enterprises	900.59	821.31
	957.22	**988.41**

Trade payables due for payment

The following ageing schedule shows the Trade payables due for payment

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment as on 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	56.63	-	-	-	56.63
Others	520.20	80.51	113.50	186.38	900.59
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment as on 31 March 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	167.10	-	-	-	167.10
Others	560.30	50.14	91.12	119.75	821.31
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-

Notes to Consolidated Financial Statements

as at 31 March 2022

15 OTHER FINANCIAL LIABILITIES

(₹ in Million)

Particulars	Current	
	As at 31 March 2022	As at 31 March 2021
Creditors for capital expenditure	2.41	23.68
Directors' commission payable	12.83	8.90
Employee benefits payable	11.47	9.81
Employee incentives payable	92.46	91.71
Other liabilities	14.55	18.46
Total	**133.72**	**152.56**

16 PROVISIONS

(₹ in Million)

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits				
Provision for gratuity	20.14	69.65	32.68	26.45
Provision for compensated absences	131.66	134.82	19.45	7.38
Total	**151.80**	**204.47**	**52.13**	**33.83**

17 OTHER LIABILITIES

(₹ in Million)

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Contract liability*	13.68	11.22	378.53	363.72
Statutory dues payable:				
Goods and services tax payable	-	-	94.24	79.62
TDS payable	-	-	58.49	45.76
Other statutory liabilities	-	-	5.40	7.76
Total	**13.68**	**11.22**	**536.66**	**496.86**

**includes deferred revenue (31 March 2022: ₹ 50.03 Million, 31 March 2021: ₹ 41.60 Million)*

18 REVENUE FROM OPERATIONS

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Sale of services:		
Transaction fees	4,857.16	4,413.21
Accounts maintenance fees	2,038.64	1,606.95
Other operational income	13.29	11.16
Total	**6,909.09**	**6,031.32**

Notes to Consolidated Financial Statements

for the year ended 31 March 2022

Information about major customers:

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2022 and 31 March 2021.

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 changes in scope of contracts, periodic revalidations of the estimates, economic factors, etc.

During the year ended 31 March 2022 and 31 March 2021, no revenue is earned from sale of distinct software and manufactured systems/traded goods.

The table below discloses the movement in contract liabilities during the year ended:

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	374.94	353.53
Add: Invoices raised/advance received for which no revenue is recognised during the year	187.43	308.16
Less: revenue recognised that was included in the contract liabilities at the beginning of the year	(170.16)	(286.75)
Balance at the end of the year	392.21	374.94

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:

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Contracted price with the customers	6,909.09	6,031.32
Less/Add: Adjustments	-	-
Revenue from contracts with customers (as per Statement of Profit and Loss)	6,909.09	6,031.32

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.

The Company has evaluated the impact of COVID – 19 resulting from termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material on the existing revenues basis the current estimates.

Notes to Consolidated Financial Statements

for the year ended 31 March 2022

19 OTHER INCOME

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Interest income		
- financial assets	196.54	262.66
- bank deposits	38.19	24.77
- overdue trade receivables	15.25	110.75
- security deposits	7.61	8.30
Dividend income	13.11	9.22
Support charges	5.91	7.45
Rent income	16.60	14.95
Miscellaneous income	26.74	-
Profit on sale of investments carried on amortised cost	0.02	52.28
Sundry Balances Written Back	28.90	-
Profit on discard of leased assets (net)	2.49	-
Profit on sale of assets (net)	438.96	-
(Refer note 3)		
Total	**790.32**	**490.38**

20 EMPLOYEE BENEFITS EXPENSES

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Salaries, wages and bonus	647.15	642.51
Share based payment expense	15.65	12.97
Contribution to provident and other funds	87.56	80.35
Staff welfare expenses	36.40	16.84
Total	**786.76**	**752.67**

21 OTHER EXPENSES

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Rent	2.27	4.00
Communication expenses	104.15	93.60
Travelling and conveyance expenses	11.78	8.40
Annual fees	99.84	106.30
Processing charges	3,363.04	3,136.80
Repairs and maintenance		
- To buildings	25.06	26.60
- To computers, trading and telecommunication systems	661.15	529.90
- To others	17.81	13.10
Insurance	26.63	15.80
Rates and taxes	16.59	18.30
Advertisement and publicity	45.85	3.40
Legal and Professional fees	97.79	44.85
Printing and stationery expenses	1.82	0.70

Notes to Consolidated Financial Statements
for the year ended 31 March 2022

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Payment to auditor (refer note below)	4.48	4.00
Electricity charges / power fuel	26.62	32.80
Directors' sitting fees	6.65	3.60
Directors' commission	14.35	8.90
Provision for doubtful debts	303.73	292.00
Loss on sale /discard of assets (net)	-	1.30
Expenditure incurred on CSR activities (refer note 32)	34.78	57.60
Miscellaneous expenses	19.60	28.40
Total	**4,883.99**	**4,430.35**

Note:		
Payment to auditor		
As auditor:		
Audit fees	2.93	2.70
Tax audit fee	0.20	0.20
In other capacity		
Certification matters	0.60	0.60
Limited review	0.75	0.50
Total	**4.48**	**4.00**

** The above fees payment to auditors excludes fees payment related to Public offering which is recoverable from shareholders.*

22 EARNINGS PER SHARE

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

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net profit attributable to shareholders of the Company	1,438.63	923.05
Weighted Average number of equity shares for basic EPS	40,231,036	40,050,487
Basic earnings per share of ₹ 10/- each (in ₹)	35.76	23.05
Weighted Average number of equity shares for diluted EPS	40,267,516	40,085,730
Diluted earnings per share of ₹ 10/- each (in ₹)	35.73	23.03

Movement of weighted average number of equity shares for the period:

(₹ in Million)

Particulars	1 April 2021 to 31 March 2022		1 April 2020 to 31 March 2021	
	Basic	Diluted	Basic	Diluted
Opening balance	40,139,462	40,139,462	40,007,981	40,007,981
Effect of share option exercised	91,574	128,054	42,506	77,749
Weighted average number of equity shares for the period	**40,231,036**	**40,267,516**	**40,050,487**	**40,085,730**

Notes to Consolidated Financial Statements

for the year ended 31 March 2022

23 DISCLOSURE UNDER INDIAN ACCOUNTING STANDARD 19 (IND AS 19) ON EMPLOYEE BENEFITS:

i) Defined contribution plan:

(a) The Group's contribution towards superannuation amounts to ₹ 17.56 Million (31 March 2021: ₹ 18.39 Million). These contributions are made to the fund administered and managed by Life Insurance Corporation of India. The Company's monthly contributions are charged to the statement of profit and loss in the period they are incurred.

(b) Provident fund: Eligible employees of the Group receive benefit under the provident fund which is a defined contribution plan wherein 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 ₹ 26.67 Million (31 March 2021 - ₹ 25.42 Million).

ii) Defined benefit plan:

Gratuity: The Group 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:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Weighted average duration of the projected benefit obligation	11	11
Discount rate	7.23%	6.80%
Rate of return on plan assets	7.23%	6.80%
Salary escalation	8.00%	8.00%
Attrition rate	5.00%	5.00%

(ii) Sensitivity analysis:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Delta effect of +1% change in rate of discounting	(36.52)	(37.10)
Delta effect of -1% change in rate of discounting	42.36	43.30
Delta effect of +1% change in rate of salary increase	41.62	42.35
Delta effect of -1% change in rate of salary increase	(36.59)	(37.10)
Delta effect of +1% change in rate of employee turnover	(2.56)	(3.95)
Delta effect of -1% change in rate of employee turnover	2.85	4.43

(iii) Table showing change in benefit obligation:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Liability at the beginning of the year	437.89	439.85
Interest cost	29.85	30.12
Current service cost	36.27	30.35
Benefits paid	(6.32)	(85.33)
Actuarial (gains)/losses on obligations - due to change in demographic assumption	0.17	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(17.44)	2.79
Actuarial (gains)/losses on obligations - due to experience	(8.09)	20.11
Liability at the end of the year	**472.33**	**437.89**

Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(iv) Table showing fair value of plan assets:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Fair value of plan assets at the beginning of the year	341.79	372.66
Interest income	23.16	25.50
Contributions	49.97	34.66
Benefits paid	(6.32)	(85.33)
Actuarial gain / (loss) on plan assets	10.91	(5.70)
Fair value of plan assets at the end of the year	**419.51**	**341.79**

(v) Amount recognised in the Balance Sheet:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Fair value of plan assets as at the end of the period/year	419.51	341.79
Liability as at the end of the year	472.33	437.89
Net (liability) / asset disclosed in the Balance Sheet	**(52.82)**	**(96.10)**

(vi) Net interest cost for current year:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest cost	29.85	30.00
Interest income	(23.16)	(25.50)
Net interest cost for current year	**6.69**	**4.50**

(vii) Expenses recognised in the Statement of profit and loss:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	36.27	30.40
Net interest cost	6.69	4.50
Expenses recognised in the Statement of profit and loss	**42.96**	**34.90**

(viii) Expenses recognised in the other comprehensive income (OCI):

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expected return on plan assets	(10.91)	5.70
Actuarial (gain) or loss	(25.34)	22.90
Net (income)/expense for the year recognized in OCI	**(36.25)**	**28.60**

Notes to Consolidated Financial Statements

for the year ended 31 March 2022

(ix) Balance sheet reconciliation:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening net liability	96.10	67.20
Expenses recognized in statement of profit and loss	42.94	34.90
Expenses recognized in OCI	(36.25)	28.60
Employers contribution	(49.97)	(34.60)
Amount recognised in the balance sheet	**52.82**	**96.10**

(x) Category of assets:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
LIC of India - Insurer managed funds	419.51	341.79
Total	**419.51**	**341.79**

(xi) Expected contribution for next year:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expected contribution for next year	32.68	28.77
Total	**32.68**	**28.77**

(xii) Maturity Analysis of the Benefit Payments:

(₹ in Million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	69.81	20.53
2nd Following Year	21.17	27.29
3rd Following Year	21.91	56.32
4th Following Year	32.77	20.45
5th Following Year	53.35	28.74
Sum of Years 6 to 10	149.19	164.10
Sum of Years 11 and above	665.18	630.61

(xiii) Details of the benefit plan for the current year and previous four years:

(₹ in Million)

Particulars	2021-22	2020-21	2019-20	2018-2019	2017-2018
Present value of the defined benefit obligation	472.31	437.89	439.85	356.75	307.00
Fair value of the plan assets	419.51	341.79	372.66	328.69	273.70
Deficit in the plan	52.80	96.10	67.19	28.06	33.30
Experience adjustments arising on					
- plan assets	-	-	-	-	-
- plan liabilities loss / (gain)	(8.09)	20.11	7.38	4.99	15.40

Notes to Consolidated Financial Statements

for the year ended 31 March 2022

24 FINANCIAL INSTRUMENTS

24.1 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2021 were as follows:

(₹ in Million)

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	734.61	-	-	-	-	734.61	734.61
Tax free bonds	2,183.80	-	-	-	-	2,183.80	2,183.80
Non convertible debentures	732.35	-	-	-	-	732.35	732.35
Trade receivables	1,977.42	-	-	-	-	1,977.42	1,977.42
Other financial assets	394.67	-	-	-	-	394.67	394.67
Total	**6,022.85**	**-**	**-**	**-**	**-**	**6,022.85**	**6,022.85**
Liabilities:							
Lease liabilities	61.90	-	-	-	-	61.90	61.90
Trade payables	988.41	-	-	-	-	988.41	988.41
Other financial liabilities	152.56	-	-	-	-	152.56	152.56
Total	**1,202.87**	**-**	**-**	**-**	**-**	**1,202.87**	**1,202.87**

The carrying value and fair value of financial instruments by categories as of 31 March 2022 were as follows:

(₹ in Million)

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	2,067.20	-	-	-	-	2,067.20	2,067.20
Bonds	2,498.92	-	-	-	-	2,498.92	2,498.92
Liquid mutual fund units	411.90	-	-	-	-	411.90	411.90
Non convertible debentures	625.44	-	-	-	-	625.44	625.44
Trade receivables	1,998.44	-	-	-	-	1,998.44	1,998.44
Other financial assets	337.27	-	-	-	-	337.27	337.27
Total	**7,939.17**	**-**	**-**	**-**	**-**	**7,939.17**	**7,939.17**
Liabilities:							
Lease liabilities	116.84	-	-	-	-	116.84	116.84
Trade payables	957.22	-	-	-	-	957.22	957.22
Other financial liabilities	133.72	-	-	-	-	133.72	133.72
Total	**1,207.78**	**-**	**-**	**-**	**-**	**1,207.78**	**1,207.78**

Notes to Consolidated Financial Statements

for the year ended 31 March 2022

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

(₹ in Million)

Particulars	As at 31 March 2021	Fair value measurement at end of the reporting year		
		Level 1	Level 2	Level 3
Assets				
Investments in Government bonds		-	2,183.80	-
Investments in non convertible debentures		732.35	-	-

(₹ in Million)

Particulars	As at 31 March 2022	Fair value measurement at end of the reporting year		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units		-	411.90	-
Investments in Government bonds		-	2,498.92	-
Investments in non convertible debentures		625.44	-	-

There has been no transfers between Level 1 and Level 2.

The fair value of liquid mutual funds is based on NAV statement. 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.

During the year ended 31 March 2021, due to exceptional circumstances, the Group has liquidated some of its long term investments. However, there is no change in the Group's philosophy, policy and business model with respect to investment as on the balance sheet date.

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 ₹ 1,998.44 Million and ₹ 1,997.42 Million as of 31 March 2022 and 31 March 2021, 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2022

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

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Revenue from top customer	6.00	5.00
Revenue from top five customers	15.00	15.00

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances is as below:

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	410.20	118.20
Amounts written off	(11.90)	-
Net remeasurment of loss allowance	304.60	292.00
Balance at the end	**702.90**	**410.20**

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.

Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if it exceeds a specified number of days for respective categories of customers.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Sales to certain customers are either based on advance payments or restricted to certain limits to contain exposures to credit risk.

Expected credit loss (ECL):

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available information etc.) and applying experienced credit judgement. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses, giving due regard for probable exposures on disputed dues or dues that are subject to litigation. Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Company expects the historical trend of minimal credit losses to continue.

Liquidity risk

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

The Group's working capital including cash and cash equivalents and investment are as follows:

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Current assets	5,415.73	3,882.47
Current liability	1,756.56	1,714.96
Working capital	3,659.17	2,167.51
Cash and cash equivalents	2,067.20	734.61
Investments	553.36	114.36

Notes to Consolidated Financial Statements

for the year ended 31 March 2022

As of 31 March 2021 and 31 March 2022, the outstanding employee benefit obligations were ₹ 96.10 Million and ₹ 52.82 Million (refer note no 16 and 23) respectively, which will be 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 2022:

(₹ in Million)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	957.00	-	-		957.00
Lease liabilities	37.61	79.23	-		116.84
Other financial liabilities	133.72	-	-		133.72

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2021:

(₹ in Million)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	988.41	-	-	-	988.41
Lease liabilities	43.30	18.60	-	-	61.90
Other financial liabilities	152.56	-	-	-	152.56

25 SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and allocating performance. The Group's Chief Executive Officer and Managing Director form the Chief Operating Decision Makers.

The Group is mainly engaged in the business of providing IT enabled e-Governance services to its clients in India. All other activities of the Group revolve around the main business. These activities are conducted only in one geographic segment viz India. Therefore, the disclosure requirements of Ind AS 108 "Operating Segments" are not applicable.

26 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:

Names of the related parties and related party relationship

(a) Related party

a.	**Entities having substantial interest**
	IIFL Special Opportunities Fund (from February 16, 2018)
	NSE Investments Limited (erstwhile NSE Strategic Investments Corporation Limited) (from October 1, 2013)
b.	**Key Managerial Personnel**
	Mr. Gagan Rai - Managing Director & Chief Executive Officer (upto February 17, 2021)
	Mr Suresh Sethi - Managing Director & Chief Executive Officer (From February 18, 2021)
	Mr. Jayesh Sule - Whole Time Director & Chief Operating Officer
	Mr. Tejas Desai - Chief Financial Officer
	Mr.Maulesh Kantharia - Company Secretary
c.	**Subsidiaries**
	NSDL e-Governance(Malaysia) SDN BHD
	Protean eGov Technologies Australia Pty Ltd (Formerly known as NSDL e-Governance Australia Pty Ltd) (from 9 December, 2020)
	NSDL e-Governance Account Aggregator Limited (from 2 November 2020)
	Protean Infosec Services Limited (Formerly known as NSDL e-Governance Infosec Services Limited) (from 30 September 2021)
d.	**Associates**
	Open Network for Digital Commerce (from 30 December 2021 up to 08 March 2022)

Notes to Consolidated Financial Statements

for the year ended 31 March 2022

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

(₹ in Million)

Nature of transactions	2021-22		2020-21	
	Key Managerial Personnel	Entities having substantial interest	Key Managerial Personnel	Entity having substantial interest
Dividend paid				
IIFL Special Opportunities Fund	-	108.00	-	540.00
NSE Investments Limited	-	90.16	-	450.80
Mr Gagan Rai	-	-	2.76	-
Mr Jayesh Sule	0.37	-	0.53	-
Mr Tejas Desai	0.08	-	0.28	-
Mr Maulesh Kantharia	0.02	-	0.07	-
Remuneration paid				
Mr Gagan Rai	-	-	100.80	-
Mr Jayesh Sule	38.15	-	28.70	-
Mr Suresh Sethi	41.64	-	2.10	-
Mr Tejas Desai	8.30	-	8.40	-
Mr.Maulesh Kantharia	3.61	-	3.00	-
Share based payment				
Mr Gagan Rai	-	-	10.66	-
Mr Jayesh Sule	9.95	-	9.52	-
Mr Suresh Sethi	0.34	-	5.56	-
Mr Tejas Desai	0.19	-	1.68	-
Mr Maulesh Kantharia	0.07	-	0.66	-

The above remuneration excludes gratuity, leave encashment and other benefits for which separate actuarial valuation is not available. Expenses incurred for listing of shares would be recoverable from selling shareholder's in proportionate to the stake sale.

27 MINORITY INTEREST IN NSDL E-GOVERNANCE (MALAYSIA) SDN BHD:

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

(₹ in Million)

Particulars	As at 31 March 2022 Non-controlling interest	As at 31 March 2021 Non-controlling interest
Opening	(1.85)	(1.85)
Profit / (loss) during the year*	(0.03)	-
Closing	**(1.88)**	**(1.85)**

**Represents value less than ₹ 0.01 million for financial year ended.*

Notes to Consolidated Financial Statements

as at 31 March 2022

28 LEASES:

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

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as of 1 April 2021	61.00	146.10
Additions	126.15	-
Termination	18.45	16.60
Depreciation	46.89	68.50
Balance as of 31 Mar 2022	**121.81**	**61.00**

The aggregate depreciation expense on right-of-use assets is included in depreciation and amortization expense in the statement of profit and loss.

The following is the break-up of current and non-current lease liabilities as at 31 March 2022 and 31 March 2021.

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	37.61	43.30
Non-current lease liabilities	79.23	18.60
Total	**116.84**	**61.90**

The following is the movement in lease liabilities:

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as of 1 April 2021	61.90	138.92
Additions	120.44	
Finance cost accrued during the year	4.83	9.44
Deletions		
Termination	20.93	17.30
Payment of lease liabilities	49.40	69.16
Balance as of 31 March 2022	**116.84**	**61.90**

Interest on lease liabilities is ₹ 9.44 Million for the year ended on 31 March 2021 and ₹ 4.83 Million for the year ended on 31 March 2022.

The Weighted average incremental borrowing rate of 9.30% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

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

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	46.89	47.10
One to five years	86.78	19.10
More than five years	-	-
Total	**133.67**	**66.20**

Rental expense recorded for short-term leases and low- value assets was ₹ 2.27 Million for the year ended 31 March 2022 and ₹ 4.0 Million for the year ended 31 March 2021.

Notes to Consolidated Financial Statements

as at 31 March 2022

The total cash outflow for leases is ₹ 51.67 Million for the year ended 31 March 2022 and ₹ 73.16 Million for the year ended 31 March 2021, including cash outflow of short-term leases and leases of low-value assets.

Lease contracts entered by the Group pertains to office premises taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

29 CAPITAL AND OTHER COMMITMENTS

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Commitments	17.40	2.50
Other Commitments - Bank guarantee	78.52	78.52

Refer note 28 for contractual maturities of lease liability i.e. lease commitments.

30 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company and its subsidiary companies incorporated in india to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company and its subsidiary companies incorporated in india (Ultimate Beneficiaries). The Company and its subsidiaries has not received any fund from any party(s) (Funding Party) with the understanding that the Company and its subsidiary companies incorporated in india shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company and its subsidiary companies incorporated in india ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

31 RATIOS

Particulars	As at 31 March 2022	As at 31 March 2021
Current Ratio *	3.08	2.18
Net profit Ratio **	21%	15%
Return on Equity **	18%	14%
Return on Capital employed **	23%	14%
Return on Investment	9%	9%
Net Capital turnover Ratio	0.85	0.98
Trade receivables turnover ratio	3.46	3.05
Trade payables turnover ratio	5.10	4.95

** Increase in current ratio is due increase in cash and cash equivalent on account of amount received as sale proceeds from Bangalore data centre.*
*** Increase in profitability ratio is due to business profit earned on sale of Bangalore data centre (Refer note 19).*

32 EMPLOYEE STOCK OPTION PLAN

The shareholders of the Holding company had approved NSDL Employees Stock Option Plan, 2017 on December 4, 2017 to be provided to specified categories of employees of the Company. The options are to be granted at exercise price per option of ₹ 310, upon vesting, which 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 provided that 25% of the options granted will vest on 1st, 2nd, 3rd and 4th anniversary from the date of grant. Also there is additional 38240 options granted on November 18, 2021 to the option holders with exercise price per option of ₹ 10 upon vesting, which shall entitle the holder to acquire 1 equity share of ₹ 10 as face value provided that additional option granted will vest after completion of 1 year from the date of grant.

Notes to Consolidated Financial Statements

as at 31 March 2022

Grant date	Exercise Price	Options granted	Options vested and Exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
December 4, 2017	310	396,192	27,196	-	344,076	24,920	27,196
September 18, 2020	310	20,000	-	-	20,000	-	-
December 3, 2020	310	40,000	-	20,000	20,000	-	20,000
November 18, 2021	10	38,240	-	36,060		2,180	36,060
Total		**494,432**	**27,196**	**56,060**	**384,076**	**27,100**	**83,256**

Movement of stock options during the year

Particulars	As at 31 March 2022				As at 31 March 2021			
	No. of options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)	No. of options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	292,719	310	310	2.68	380,492	310	310	3.03
Granted during the year	38,240	10	10	3.00	60,000	-	310	3.94
Forfeited during the year	(3,089)	(10-310)	98	-	(16,294)	310	310	-
Exercised during the year	(244,614)	310	310	-	(131,481)	310	310	-
Rounding off difference	-	-	-	-	2			
Outstanding at the end of the year	**83,256**	**(10-310)**	**180**	**3.15**	**292,719**	**310**	**-**	**2.68**
Exercisable at the end of the year	27,196	310	310	2.11	170,326	310	310	1.87

The weighted average remaining contractual life for the share options outstanding as at 31 March 2022 was 3.15 years (March 31 2021 : 2.68 years). The weighted average share price for the options exercised during the year was ₹ 310 (March 31 2021 : ₹ 310). Maximum Term of the options is 7 Years.

The weighted average fair value of the options granted during the year was ₹ 616 (March 31 2021 : ₹ 295). The weighted average share price for the options granted during the year was ₹ 667 (March 31 2021 : ₹ 468).

The aggregate compensation cost of ₹ 15.65 Million (31 March 2021: ₹ 12.97 Million) has been recognised under the ESOP plan 2017 and has been disclosed under Employee benefit expense under note 20.

Significant assumptions used to estimate the fair value of options:

Particulars	FY 2021-22			FY 20-21	
	Grant date Sep 18, 2020	Grant date Dec 2, 2020	Grant date Nov 18, 2021	Grant date Sep 18, 2020	Grant date Dec 2, 2020
1. Risk Free Interest Rate	4.66%	4.48%	6.05%	4.66%	4.48%
2. Expected Life	2.50	3.00	3.00	2.50	3.00
3. Expected Volatility	104.65%	89.63%	89.63%	104.65%	89.63%
4. Dividend Yield	0.00%	0.00%	2.14%	2.14%	2.14%
5. Price of the underlying share in market at the time of the option grant (₹)	468.00	468.00	667.00	468.00	468.00

The fair value of ESOPs granted is determined using Black & Scholes Model.

Notes to Consolidated Financial Statements

as at 31 March 2022

33 DETAILS OF TRANSACTION WITH STRUCK OFF COMPANIES:

(₹ in Million)

Sr. No	Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on 31.03.2022	Balance outstanding as on 31.03.2021	Relationship with the Struck off company, if any, to be disclosed
1.	Mahimtura Consultants (Vashi) Pvt Ltd	Vendor balance written off	-	0.11	-
2.	Integra Micro Systems Pvt Ltd	Receivables	0.01	0.01	-
3.	Commscope Solutions India Privatelimited	Receivables	0.01	0.01	-
4.	Satguru Cements Private Limited	Receivables	*0.00	Nil	-
5.	Pravasi Enterprises Ltd	Receivables	**0.00	**0.00	-
6.	Midwest Granite (Pondicherry) Private Limited	Receivables	@0.00	@0.00	-
7.	Haldiram Snacks Pvt Ltd	Receivables	#0.00	#0.00	-
8.	Whizkids Computer Pvt Ltd	Receivables	$0.00	$0.00	-

*Amount rounded off here i.e * ₹ 1,494, ** ₹ 254, @ ₹ 3,065, # ₹ 1,523, $ ₹ 95 (31.03.2021, ** ₹ 102, @ ₹ 2,443, # ₹ 387, $ ₹ 488)*

34 The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

35 During the year the Group has not utilised any amount of share premium.

36 CONTINGENT LIABILITIES:

(i) On account of disputed demand raised by Sales tax officer for MVAT and CST: ₹ 226.32 Million (31 March 2021: ₹ 226.32 Million) @

(ii) Claims against the Group not acknowledged as debts: ₹ 9.9 Million (31 March 2021 : ₹ 9.9 Million) (net) #

Based on management evaluation and advice of tax consultants, these claims are not tenable against the Group, and therefore no provision for this contingency has been established.

(iii) On account of demand raised by Income tax officer for AY 2016-2017 : ₹ 13.71 Million (31 March 2021: Nil) $

 # 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 Group. The Group has filed an appeal before the Sales Tax Tribunal and paid a deposit of ₹ 14.2 Million under protest. The amounts assessed as contingent liability do not include interest that could be claimed by the authorities. In terms of its order dated 28 January 2022, the tax tribunal has quashed and set aside the order passed by the first Appellate Authority (Sales Tax).

$ Demand raised by Income tax officer is on account of disallowance of deduction claimed by the Company under Section 35AC and chapter VI-A of Income tax Act, 1961 in income tax return filed for Assessment Year 2016-17 via order dated 10.02.2022. Company has filed rectification application as well as appeal to CIT(A) against said demand.

37 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 Group, the following disclosures are made for the amounts due to the Micro and Small enterprises:

Notes to Consolidated Financial Statements

as at 31 March 2022

(₹ in Million)

Particulars	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	56.63	167.10
- 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	-	-

38 CORPORATE SOCIAL RESPONSIBILITY

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 required to be spent by the Group on Corporate Social Responsibility activities during the financial year 2021-22 is ₹ 29.78 Million (31 March 2021: ₹ 36 Million).

b) Amount spent during the year:

(₹ in Million)

Particulars	Amount paid	Paid in subsequent period	Yet to be paid	Total
31 March 2021				
Construction / acquisition of any asset	-	-	-	-
On purpose other than above	38.60	-	-	38.60
31 March 2022				
Construction / acquisition of any asset	-	-	-	-
On purpose other than above	29.78	-	-	29.78

Notes to Consolidated Financial Statements

as at 31 March 2022

39 CAPITAL MANAGEMENT

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

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

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

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

40 INVESTOR EDUCATION & PROTECTION FUND

For the year ended 31 March 2022 and 31 March 2021, the Group is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

41 SOCIAL SECURITY CODE

The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Group believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in the case of Surya Roshni Ltd. versus Employees Provident Fund, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Group will evaluate its position and act, as clarity emerges.

42 COVID -19

The beginning of 2020 witnessed the global spread of COVID-19, i.e. coronavirus which is continuing in the current period. It is an evolving human tragedy declared as global pandemic by the World Health Organisation with an adverse impact on economy and business. Global threat is continuing to grow, and at a rapidly accelerating rate.

Considering the unprecedented and ever evolving situation, the Group during the current period has performed detailed re-assessment of its current and non-current assets comprising of tangible and intangible assets, investments, receivables (including unbilled), assets held for sale and other current assets considering both internal and external information available till date. On the basis of current assessment and estimates, the Group does not see risk of recoverability of its current and non-current assets and accordingly, no material adjustment is required in these financial statements.

Given the uncertainties associated with nature, condition and duration of COVID -19, the impact assessment on the Group's financial statements will be continuously made and provided for as required. Considering the fact that the global situation is evolving day by day with new facts and numbers, the management is continuously monitoring the material changes for current period and for the subsequent period.

43 NEW STANDARDS OR OTHER AMENDMENTS ISSUED BUT NOT YET EFFECTIVE:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

Notes to Consolidated Financial Statements

as at 31 March 2022

On March 23, 2022, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, Key amendments are as below:

Ind AS 16 – Property Plant and equipment-

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets –

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that related directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

44 SUBSEQUENT EVENTS

Dividends declared by the Company are based on profits available for distribution. On 28 June 2022, the Board of Directors of the Company have proposed a final dividend of ₹ 10 per share in respect of the year ended 31 March 2022. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. It would result in a cash outflow of approximately ₹ 403.84 Million.

As per our report of even date attached

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place: Mumbai
Date: 28 June 2022

For and on behalf of the Board of Directors of
Protean eGov Technologies Limited
(CIN: U72900MH1995PLC095642)

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Suresh Sethi
Managing Director & CEO
DIN-06426040

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place: Mumbai
Date: 28 June 2022

AOC

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 ₹)

1.	**Sl. No/CIN**	:	U67200MH2020PLC349258	ACN : 646479012	U72900MH2021PLC368593	1217834-M
2.	**Name of the subsidiary**	:	NSDL e-Governance Account Aggregator Limited	Protean eGov Technologies Australia Pty Ltd	Protean Infosec services Ltd	NSDL e-Governance (Malaysia) Sdn. Bhd.
3.	**Reporting period for the subsidiary concerned, if different from the holding company's reporting period**	:	31 March 2022*	31 March 2022**	31 March 2022***	31 March 2022
4.	**Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.**	:	INR	INR	INR	As on 1st April 2020 : MYR @ INR 100 to MYR 17.58; as on 31st March 2021 : MYR @ INR 100 to MYR 17.65; as on 31st March 2022 : MYR @ INR 100 to MYR 18.05 and Average Rate : MYR @ INR 100 to MYR 17.87
5.	**Share capital**	:	₹ 3,00,00,000	AUD 1000/ Rs. 55,385	₹ 8,00,00,000	MYR 1,000/₹ 17,654
6.	**Reserves & surplus**	:	₹ 85,503	₹ (25,30,910)	₹ (1,83,436)	MYR (2,22,449) / ₹ (38,99,194)
7.	**Total assets**	:	₹ 3,03,53,032	NIL	₹ 8,12,39,202	MYR 20,417 / ₹ 3,68,584
8.	**Total Liabilities**	:	₹ 2,67,529	NIL	₹ 14,22,638	MYR 2,41,866 / ₹ 42,67,778
9.	**Investments**	:	NIL	NIL	NIL	NIL
10.	**Turnover**	:	NIL	NIL	NIL	NIL
11.	**Profit before taxation**	:	₹ 1,88,129	₹ (56,060)	₹ 48,371	MYR (3,507) / ₹ (62,661)
12.	**Provision for taxation**	:	₹ 1,54,856	NIL	₹ 2,31,807	NIL
13.	**Profit after taxation**	:	₹ 33,273	₹ (56,060)	₹ (1,83,436)	MYR (3,507) / ₹ (62,661)
14.	**Proposed Dividend**	:	NIL	NIL	NIL	NIL
15.	**% of shareholding**	:	100%	100%	100%	51%

Notes: The following information shall be furnished at the end of the statement:

** Company incorporated on 2nd November, 2020.*

*** NSDL e-Governance Australia Pty Ltd as the said subsidiary company incorporated on December 9, 2020.*

**** Protean infosec services Ltd as the said subsidiary incorporated on September 30, 2021.*

Names of subsidiaries which are yet to commence operations: NSDL e-Governance (Malaysia) Sdn. Bhd., NSDL e-Governance Account Aggregator Limited and NSDL e-Governance Australia Pty Ltd.

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	
1. Latest audited Balance Sheet Date	N.A.
2. Shares of Associate/Joint Ventures held by the company on the year end	
Number	N.A.
Amount of Investment in Subsidiary/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.
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	N.A.
6. Profit / Loss for the year	
i. Considered in Consolidation	N.A.
ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations: N.A.
2. Names of associates or joint ventures which have been liquidated or sold during the year: N.A.

Note : This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

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

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Suresh Sethi
Managing Director and CEO
DIN-00059632

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : Mumbai
Date : 28 June 2022

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

FORM NO. 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 Account Aggregator Limited**	**Protean eGov Technologies Australia Pty Ltd**	**Protean Infosec services Ltd**	**NSDL e-Governance (Malaysia) SDN. BHD.**
Relationship	**Subsidiary**	**Subsidiary**	**Subsidiary**	**Subsidiary**
(b) Nature of contracts / arrangements / transactions	Investment made in equity share capital of subsidiary	Investment made in equity share capital of subsidiary	Investment made in equity share capital of subsidiary	Investment made in equity share capital of subsidiary
(c) Duration of the contracts/ arrangements / transactions	One time	One time	One time	One time
(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:	November 29, 2019	November 19, 2020	June 23, 2021	November 7, 2016
(f) Amount of investment made till 31 March 2022, if any:	₹ 300,00,000/-	₹ 55,385/-	₹ 8,00,00,000	₹ 42,20,100/-

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

Sd/-	Sd/-	Sd/-
Shailesh Haribhakti	**Suresh Sethi**	**Jayesh Sule**
Chairman	*Managing Director and CEO*	*Whole Time Director*
DIN-00007347	DIN-00059632	DIN-07432517

	Sd/-	Sd/-
Place : Mumbai	**Tejas Desai**	**Maulesh Kantharia**
Date : 28 June 2022	Chief Financial Officer	Company Secretary

Notes

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Change *is* growth

Registered Office
Times Tower, 1st Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Website: www.proteantech.in
E-mail: cs@proteantech.in
CIN: U72900MH1995PLC095642