INDEPENDENT AUDITOR'S REPORT

To the Members of
NSDL e-Governance Infrastructure Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of NSDL e-Governance Infrastructure Limited (''the Company "), which comprise the standalone balance sheet as at 31 March 2020, 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 the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us. the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner ·o 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 2020, and 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 tandards 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 13oard of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report. but does not include the financial statements ancl our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responibility 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 lo 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' Responsibility for the Standalone Financial Statement

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 lair view of the state of affairs, profit and other comprehensive income. changes in equity and ca h flows or 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 respon ibility 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 policie : making judgments and estimate that are reasonable and prudent; and design. impl .menrarion 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 or 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' ability to continue as a going concern. disclosing, us applicable, matters related to going concern and using the going concern basi 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 Responsibilitie 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 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 in the standalone financial statements 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 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 mailers that may reasonably be thought to bear on our independence, and where applicable. related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order. 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A'" a statement on the matter 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 ba is or the written representations received from the directors as on 31 March 2020 taken record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. The Company has di closed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements;

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

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

   iv. The disclosures in the standalone financial statements regarding holdings as wel I as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

   (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

   In our opinion and according to the information and explanations given to us. the remuneration paid by the company to its directors during the current year is in accordance with the provi ions or cction 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under ection 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Shabbir Readymadewala
Partner
Membership No. 100060
ICAI UDIN: 20100060AAAABR5098

Place: Mumbai
Date: 22 June 2020

NSDL e-Governance Infrastructure Limited

Annexure A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period of 2 year by the management. In our opinion, this frequency of physical verification is reasonable having regard to the size of the Company and the nature of its asset. In the current year company has covered certain class of assets for physical verification. No material discrepancies identified on such phyical 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 included in fixed assets are held in the name of the Company.

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

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans. secured or unsecured to companies. firms. limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act.") Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion. and according to the information and explanations given to us and based on the audit procedures conducted by us. the Company has complied with the provisions of Section 185 and 186 of the Act with respect to investment made by the Company. The Company had not granted any loan, guarantee or security to the parties covered under the provisions of Section 185 and 186 of the Act. Accordingly, compliance under Section 185 and 186 of the Act in respect or pending loan, guarantee or securities are not applicable to the Company.

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Service Tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020 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 in respect of Income Tax, and GST which have not been deposited on account of any dispute. The dues of Central Sales Tax/Value Added Tax as disclosed below have not been deposited by the Company on account or disputes as at 31 March 2020:

Name of the Statute	Nature of the Dues	Amount (Rs In lakhs)	Period to which the amount relates	Forum where dispute is pending
The Maharashtra Value Added Tax Act. 2002	Sales Tax, Interest and Penalty	2,260	2015-2016	Appellate Tribunal

(viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings from any financial institution or bank or government or dues to debenture holders during the year.

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

(x) To the best of our knowledge and according to the information and explanations given to us. no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

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

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly. paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such related party tran actions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

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

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

(xvi) In our opinion and according to the information and explanations given to us. the Company is not required 10 be registered under section 45-IA of the Reserve Bank of India Act I 934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

Shabbir Readymadewala
Partner
Membership No. 100060
ICAI UDIN: 20100060AAAABR5098

Place: Mumbai
Date: 22 June 2020

Annexure B to the Independent Auditors' report on the Standalone financial statements of NSDL e-Governance Infrastructure Limited for the year ended 31 March 2020

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 (1) (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 NSDL e-Govemance Infrastructure Limited (vthe Company") as of 31 March 2020 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 2020, 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 it bu iness. 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 Standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the tandards on Auditing, prescribed under section 143(I 0) 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 Standalone 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 Standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone 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 asses cd risk. The procedures selected depend on the auditor's judgement, including the assessment of the ri ks or material misstatement of the Standalone financial statements. whether clue 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 Standalone 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 or 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 (l) 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 acqui ition, use, or disposition or 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 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/W-100024

Shabbir Readymadewala
Partner
Membership No. 100060
ICAI UDIN: 20100060AAAABR5098

Place: Mumbai
Date: 22 June 2020

Balance Sheet as at 31 March 2020

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

				As at 31.03.2020	As at 31.03.2019
ASSETS					
1	**Non-current assets**				
	a	Property, plant and equipment	2	**4,855**	13,083
	b	Capital work-in-progress		**543**	513
	c	Right-of-use assets	27	**1,461**	-
	d	Other intangible assets	2	**39**	413
	e	Financial assets			
	i	Investments	4	**38,492**	32,610
	ii	Other financial assets	5	**2,329**	2,931
	f	Income tax assets (net)	6	**2,567**	1,857
	g	Deferred tax assets (net)	6	**249**	89
	h	Other non-current assets	7	**100**	499
	Total non-current assets			**50,635**	51,995
2	**Current assets**				
	a	Financial assets			
	i	Investments	8	**2,120**	4,642
	ii	Trade receivables	9	**21,071**	18,188
	iii	Cash and cash equivalents	10	**4,099**	3,939
	iv	Other bank balances (bank balances other than iii above)	11	**907**	1,610
	v	Other financial assets	5	**2,492**	2,069
	b	Other current assets	7	**4,471**	2,589
	Total current assets			**35,160**	33,037
3	**Assets held for sale**		3	**8,240**	-
		Total assets		**94,035**	85,032

Balance Sheet as at 31 March 2020

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

				As at 31.03.2020	As at 31.03.2019
		Equity and liabilities			
1	**Equity**				
	a	Equity share capital	12	**4,001**	4,001
	b	Other equity	13	**71,379**	62,640
2	**Liabilities**				
	Non-current liabilities				
	a	Financial liabilities			
	i	Lease liabilities	27	**668**	-
	ii	Other financial liabilities (Other than provisions in ("b") below)	15	**164**	328
	b	Provisions	16	**216**	412
	Total non-current liabilities			**1,048**	740
	Current liabilities				
	a	Financial liabilities			
	i	Trade payables			
		-- Dues of micro enterprises and small enterprises	14 & 30	**606**	508
		-- Dues of creditors other than micro enterprises and small enterprises	14	**8,272**	8,486
	ii	Lease liabilities	27	**722**	-
	iii	Other financial liabilities (Other than provisions in ("b") below)	15	**1,035**	760
	b	Provisions	16	**2,903**	2,099
	c	Income tax liabilities (net)	6	**-**	537
	d	Other current liabilities	17	**4,069**	5,261
	Total current liabilities			**17,607**	17,651
	Total equity and liabilities			**94,035**	85,032
Summary of significant accounting policies and The accompanying notes are an integral part of the financial statements.			1 to 35		

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

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : **Mumbai**
Date : 22 June 2020

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2020

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

	Note	For the year ended 31.03.2020	For the year ended 31.03.2019
Income			
Revenue from operations	18	**71,613**	75,625
Other income	19	**3,849**	3,480
Total Income		**75,462**	79,105
Expenses			
Employee benefits expense	20	**6,863**	6,518
Finance cost	27	**162**	18
Depreciation and amortisation expense	2 & 27	**2,747**	1,987
Other expenses	21	**49,963**	52,402
Total Expenses		**59,735**	60,925
Profit before tax		**15,727**	18,180
Less : Tax expenses			
Current tax	6	**3,764**	5,741
Deferred tax		**(160)**	(9)
Total tax expenses		**3,604**	5,732
Profit for the year (A)		**12,124**	12,448
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the defined benefit liability / asset (net of tax)		**(379)**	(14)
Total Other Comprehensive Income (net of tax) (B)		**(379)**	(14)
Total Comprehensive Income (A+B)		**11,745**	12,434
Earnings per equity share			
-- Basic (₹)		**30.30**	31.12
-- Diluted (₹)		**30.02**	31.03
Summary of significant accounting policies and The accompanying notes are an integral part of the financial statements.	1 to 35		

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

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : **Mumbai**
Date : 22 June 2020

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Statement of changes in Equity for the year ended 31 March 2020

Currency : (₹ in Lakhs)

A. EQUITY SHARE CAPITAL

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

Balance as at 1 April 2019	Changes in equity share capital during the year	Balance as at 31 March 2020
4,001	-	4,001

B. OTHER EQUITY

Currency : (₹ in Lakhs)

Particulars	Other Equity						Total
	Reserves and Surplus			ESOP Reserve	Security premium	Other Comprehensive Income	
	Capital redemption reserve	General reserve	Retained earnings			Other items of comprehensive income	
Balance at the April 1, 2018	**2,500**	**29,843**	**21,038**	**97**	**-**	**(490)**	**52,988**
Transfer from Statement of Profit and Loss	-	10,000	(10,000)	-	-	-	**-**
Adjustment on initial application of IndAS 115, net of tax	-	-	86	-	-	-	**86**
Re-measurement of the defined benefit liability / asset	-	-	-	-	-	(14)	**(14)**
Share based payments to employees	-	-	-	250	-	-	**250**
Issue of shares under ESOP	-	-	-	-	16	-	**16**
Dividend (including dividend distribution tax)	-	-	(3,134)	-	-	-	**(3,134)**
Profit for the year ended March 31, 2019	-	-	12,448	-	-	-	**12,448**
Balance at the March 31, 2019	**2,500**	**39,843**	**20,438**	**347**	**16**	**(504)**	**62,640**

Currency : (₹ in Lakhs)

Particulars	Other Equity						Total
	Reserves and Surplus			ESOP Reserve	Security premium	Other Comprehensive Income	
	Capital redemption reserve	General reserve	Retained earnings			Other items of comprehensive income	
Balance at the April 1, 2019	**2,500**	**39,843**	**20,438**	**347**	**16**	**(504)**	**62,640**
Re-measurement of the defined benefit liability / asset	-	-	-	-	-	(379)	**(379)**
Share based payments to employees	-	-	-	121	-	-	**121**
Issue of shares under ESOP					8		**8**
Dividend (including dividend distribution tax)	-	-	(3,135)	-	-	-	**(3,135)**
Profit for the year ended March 31, 2020	-	-	12,124	-	-	-	**12,124**
Balance at the March 31, 2020	**2,500**	**39,843**	**29,427**	**468**	**24**	**(883)**	**71,379**

Note:

 # Purpose of Reserve stated as follows:

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

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

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

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

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

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

Sd/-
Shabbir Readymadewala
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DIN-07432517

Place : **Mumbai**
Date : 22 June 2020

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

NSDL

Cash Flows Statement
for the year ended 31 March 2020

Currency : (₹ in Lakhs)

		For the year ended 31.03.2020	For the year ended 31.03.2019
A)	**Cash flow from operating activities**		
	Profit before tax	**15,727**	18,180
	Adjustments for :		
	Depreciation and amortisation	**2,747**	1,987
	Amortisation of Premium / Discount on Govt/Debt Securities	**172**	146
	Loss on sale /discard of assets	**1**	12
	Provision for impairment of assets	**-**	6
	Loss on sale of current investment	**-**	5
	Provision for doubtful debts	**1,063**	-
	Interest income on Long Term Investment	**(2,610)**	(2,263)
	Interest income on Bank deposit	**(257)**	(190)
	Share based payments to employees	**121**	250
	Finance cost	**162**	18
	Gratuity OCI	**-**	(14)
	(Profit)/Loss on sale/redemption of long term investments	**(2)**	-
	Dividend received - Others	**(163)**	(116)
	Operating cash flow before changes in working capital	**16,961**	18,021
	Changes in working capital		
	Trade Receivables	**(3,945)**	(1,650)
	Other Assets	**(1,817)**	825
	Trade Payables	**(1,313)**	(1,605)
	Other financial liabilities, other liabilities and provisions	**503**	3,012
	Net changes in working capital	**10,389**	18,603
	Prior-period adjustments (Net)		
	Income taxes paid	**(5,011)**	(5,912)
	Net cash generated from operating activities	**5,378**	12,691

		For the year ended 31.03.2020	For the year ended 31.03.2019
B)	**Cash flow from investing activities**		
	Purchase of property plant and equipment and capital advances given	**(1,219)**	(2,737)
	Proceeds from sale of property, plant and equipment	**3**	21
	Interest paid on income tax	**-**	(18)
	Interest received	**2,403**	2,312
	Dividend received - Others	**163**	116
	Purchase of non-current investments (net of interest accrued upto date of purchase)	**(6,073)**	(7,933)
	Purchase of current investments	**-**	(6,618)
	Investment in fixed deposit	**884**	(1,249)
	Proceeds from sale of non-current investments	**52**	100
	Proceeds from sale of current investments	**2,500**	5,736
B)	**Net cash used in investing activities**	**(1,287)**	(10,270)
C)	**Cash flow from financing activities**		
	Proceeds from issue of share capital (including security premium amount)	**8**	17
	Dividend paid	**(2,600)**	(2,600)
	Dividend distribution tax paid	**(535)**	(535)
	Lease liability paid	**(804)**	
C)	**Net cash used in financing activities**	**(3,931)**	(3,118)
	Net increase in cash and cash equivalents at the end of the period	**160**	(697)
	Cash and cash equivalents at the beginning of the year	**3,939**	4,635
	Cash and cash equivalents at the end of the year	**4,099**	**3,939**

Notes to Cash Flow Statement :

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

2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2014 as amended from time to time.

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

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

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : **Mumbai**
Date : 22 June 2020

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

1. Corporate information

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

The 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 approved the standalone financial statements for the year ended March 31, 2020 and authorised for issue on June 22nd, 2020.

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

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 period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

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

c) Use of estimates

The preparation of the 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 period. 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 period to period. Although these estimate are based on management's best knowledge of current events and actions, uncertainty about the assumption and estimates could result in the outcome requiring material adjustment to the carrying amount of asset and liabilities.

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.

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

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

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,

Fair value measurement of financial instruments

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

Trade receivables

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

(3) determine the transaction price,
(4) allocate the transaction price to the performance obligations in the contract and
(5) recognize revenues when a performance obligation is satisfied.

Performance obligations

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

The performance obligations of the Company are satisfied over time as services are rendered.

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

Determination of transaction price

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

Allocation of transaction price

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

Contract balances

A contract asset is right to consideration in exchange of services that the Company has rendered to a customer when that right is conditioned on something other than passage of time. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

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

i. Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.
ii. Revenue related to fixed price maintenance and support services contracts, where the Company 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,
iv these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
v 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 period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations

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

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

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

Interest income

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

Dividend income

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

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's 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 interest rate implicit in the lease. 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.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The standard includes two recognition exemptions for lessees — leases of 'low value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease ierm of 12 months or less).

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information.

The Company has recorded the lease liability as the present value of the remaining lease payments, discounted at the incremental discounted rate as at 9% April 1, 2019 and the right of use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized. The Company has used the exemption option available for existing leases and applied the available exemptions regarding the recognition of short term leases and low value leasing assets.

The Company has also used the practical expedient provded by the standard and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The Company does not have any lease contracts wherein it acts as a lessor.

On transition, the adoption of the new standard resulted in recognition of right-of-use asset of Rs. 1461 Lacs and a lease liability of Rs. 1390 Lacs Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental discounted rate of 9 % has been applied to lease liabilities recognised in the balance sheet at the date of initial application (refer Note no 28).

All the other above amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

g) Depreciation

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

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

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

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.

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 period 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 (currently 12% of employees' basic 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

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

The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC.

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

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

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

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

l) Income Tax

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

Current tax

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current tax assets and current tax liabilities are offset only if there is a legally 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 period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

m) Provisions, Contingent liabilities and Contingent assets

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

n) Cash Flow statement.

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

o) Cash and Bank balances

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

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

p) Earnings per share

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by weighted average number of equity shares outstanding during the year.

q) Financial instruments

Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

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 standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Loans and receivables

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

Impairment of financial assets

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

Derecognition of financial assets

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

Loans and receivables

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

Subsequent measurement

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate 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 exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

r) Dividends

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

1.2 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Recent Indian Accounting Standards (Ind AS).

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

i) Ind AS 116 - Leases
ii) Income tax consequences in case of dividends (Ind AS 12 – Income Taxes (amendments relating to income tax consequences of dividend));
iii) Accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities (Ind AS 12 – Income Taxes (amendments relating to uncertainty over income tax treatments));
iv) Accounting treatment for specific borrowings post capitalization of corresponding qualifying asset (Ind AS 23 – Borrowing Costs);
v) Accounting for prepayment features with negative compensation in case of debt instruments (Ind AS 109 – Prepayment Features with Negative Compensation);
vi) Accoutnting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans (Ind AS 19 – Plan Amendment, Curtailment or Settlement);

2. Property, plant, equipments and intangible assets

Currency : (₹ in Lakhs)

Particulars	Property, Plant and Equipments								Other Intangible assets	
	Land Freehold	Building	Computers	Data and Telecommunication equipments	Electric installation	Office equipment	Furniture and fixtures	Total	Computer Softwares (others)	Total
Gross carrying value as of 1 April 2019	1,574	9,422	6,727	1,806	1,283	2,692	1,231	24,735	4,827	4,827
Additions		197	713	112	73	165	288	1,548	30	30
Deletions	1,574	4,328	1	119	871	1,973	839	9,705	-	-
Gross carrying value as of 31 March 2020	-	5,291	7,439	1,799	485	884	680	16,578	4,857	4,857
Accumulated depreciation as of 1 April 2019	-	4,074	4,669	976	474	1,057	402	11,652	4,414	4,414
Depreciation		92	593	179	97	446	123	1,530	404	404
Accumulated depreciation on deletion		154	1	43	190	866	205	1,459	-	-
Accumulated depreciation as of 31 March 2020	-	4,012	5,261	1,112	381	637	320	11,723	4,818	4,818
Carrying value as of 31 March 2020	-	1,279	2,178	687	104	247	360	4,855	39	39

Currency : (₹ in Lakhs)

Particulars	Property, Plant and Equipments								Other Intangible assets	
	Land Freehold	Building	Computers	Data and Telecommunication equipments	Electric installation	Office equipment	Furniture and fixtures	Total	Computer Softwares (others)	Total
Gross carrying value as of 1 April 2018	1,574	9,354	6,451	1,188	1,395	2,645	1,318	23,925	4347	4,347
Additions	-	68	583	651	-	101	1	1,404	480	480
Deletions	-	-	307	33	112	54	88	594	-	-
Gross carrying value as of 31 March 2019	1,574	9,422	6,727	1,806	1,283	2,692	1,231	24,735	4,827	4,827
Accumulated depreciation as of 1 April 2018	-	3,987	4,431	873	490	681	388	10,850	3791	3,791
Depreciation	-	87	530	135	90	424	98	1,364	623	623
Accumulated depreciation on deletion	-	-	292	32	106	48	84	562	-	-
Accumulated depreciation as of 31 March 2019	-	4,074	4,669	976	474	1,057	402	11,652	4,414	4,414
Carrying value as of 31 March 2019	1,574	5,348	2,058	830	809	1,635	829	13,083	413	413

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

3. Assets held for sale

The Company has decided to sell its Data Centre at Bangalore, for this purpose Company has carried out valuation of Data centre and will offer that price to its current partner in Data centre business. The particulars of the assets held for sale are as under:

Particulars	WDV of assets as on 31.03.2020 (₹ in Lakhs)
Land & Building	5,749
Furniture, fixture and office equipment's	2,491
Total	8,240

4. Non-current investments

Currency : (₹ in Lakhs)

		Rate of interest %	Year of maturity	No. of bonds/ debentures/share	Face value	**As at 31 March, 2020 (₹ in Lakhs)**	**As at 31 March, 2019 (₹ in Lakhs)**
Quoted Debt Securities Investments at amortised cost :							
Investment in Tax free bonds							
1	Power Finance Corporation Limited	8.20	2022	100,000	1,000	1,084	1,084
2	Indian Railway Finance Corporation Limited	8.10	2027	50,000	1,000	534	534
3	National Highway Authority of India Limited	8.30	2027	200,000	1,000	2,182	2,182
4	Indian Railway Finance Corporation Limited	7.34	2028	250,000	1,000	2,574	2,574
5	National Highway Authority of India Limited	8.50	2029	80,000	1,000	800	800
6	National Housing Bank	8.63	2029	7,220	5,000	361	361
7	Rural Electrification Corporation	8.63	2029	50,000	1,000	500	500
8	National Housing Bank	8.68	2029	40,000	5,000	2,053	2,053
9	National Thermal Power Corporation Limited	7.37	2035	6,246	1,000	62	62
10	Rural Electrification Corporation	7.21	2022	130	1,000,000	1,329	1,329
11	National Thermal Power Corporation Limited	7.15	2025	90	1,000,000	912	912
12	National Housing Bank	8.46	2028	40	1,000,000	443	443
13	Power Finance Corporation Limited	8.46	2028	150	1,000,000	1,672	1,672
14	Rural Electrification Corporation	8.46	2028	250	1,000,000	2,894	2,894
15	National Bank for Agriculture and Rural Development	7.35	2031	150,000	1,000	1,578	1,578
16	National Hydroelectric Power Corporation Limited	8.67	2033	50,000	1,000	634	634
17	National Bank for Agriculture and Rural Development	7.35	2031	100,000	1,000	1,117	1,117
18	Indian Renewable Energy Development Agency Limited	7.17	2025	270	1,000,000	2,877	2,877
19	National Highway Authority of India Limited	7.35	2031	100,000	1,000	1,125	1,125
20	National Highway Authority of India Limited	7.39	2031	50,000	1,000	556	556
21	Indian Railway Finance Corporation Limited	7.35	2031	150,000	1,000	1,663	1,663
22	National Bank for Agriculture and Rural Development	7.35	2031	200,000	1,000	2,221	2,221
23	National Housing Bank	8.76	2034	20,000	5,000	1,241	1,241
24	National Housing Bank	8.68	2029	10,000	5,000	591	591
25	Power Finance Corporation Limited	7.21	2022	150	1,000,000	1,538	1,538
26	Power Finance Corporation Limited	9.10	2029	50	1,000,000	512	-
27	National Hydroelectric Power Corporation Limited	8.18	2023	50,000	1,000	538	-
28	National Thermal Power Corporation Limited	7.32	2029	150	150,000	1,476	-
29	National Thermal Power Corporation Limited	7.32	2029	250	250,000	2,489	-
30	Power Grid Corporation of India Limited	8.40	2029	100	1,000,000	1,059	-

Currency : (₹ in Lakhs)

		Rate of interest %	Year of maturity	No. of bonds/ debentures/share	Face value	**As at 31 March, 2020 (₹ in Lakhs)**	**As at 31 March, 2019 (₹ in Lakhs)**
Investment in non convertible debentures							
31	Housing Development and Finance Corporation Limited	8.79	2020	2	1,000,000	-	20
32	Power Finance Corporation Limited	9.36	2021	2	1,000,000	20	20
33	Housing Development and Finance Corporation Limited	9.40	2021	4	1,000,000	40	40
34	EXIM Bank Limited	9.25	2022	2	1,000,000	20	20
35	Rural Electrification Corporation	9.35	2022	4	1,000,000	40	40
36	Infrastructure Leasing & Finance Services Limited	9.55	2023	550	1,000	6	6
37	HDB Financial Services Limited	9.60	2023	2	1,000,000	20	20
38	HDB Financial Services Limited	10.19	2024	1	1,000,000	10	10
39	IDFC Bank Limited	8.80	2025	10	1,000,000	100	100
40	Indian Railway Finance Corporation Limited	9.09	2026	2	1,000,000	20	20
41	State Bank of India	9.95	2026	296	10,000	31	31
42	Power Finance Corporation Limited	8.94	2028	4	1,000,000	41	41
43	Indian Railway Finance Corporation Limited	8.79	2030	1	1,000,000	10	10
44	India Infrastructure Finance Company Limited	9.41	2037	5	1,000,000	56	56
						39,029	**32,975**
	Less : Amortisation of premium					531	359
	Less : Provision for impairment of assets					6	6
						38,492	**32,610**

5. Other financial assets

(Unsecured considered good):

Currency : (₹ in Lakhs)

Particulars	Non-current		Current	
	31.03.2020 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**	**31.03.2020 (₹ in Lakhs)**	**31.03.2019 (₹ in Lakhs)**
Others				
Security deposit	**1,260**	1,245	**-**	2
Interest accrued on investments	**-**	-	**1,243**	923
Less: Provision for impairment of assets	**-**	-	**-**	(1)
Interest accrued on bank deposits	**13**	6	**46**	81
Restricted deposits with banks against performance guarantee	**785**	966	**-**	-
Unbilled revenue	**140**	304	**877**	816
Deferred expenses	**131**	410	**326**	248
Total	**2,329**	2,931	**2,492**	2,069

6. Income taxes

(A) The major components of income tax expense for the years ended 31st March 2020 and 31st March 2019 are:

Profit or loss section

	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Current taxes	**3,764**	5,741
Deferred taxes	**(160)**	(9)
Income tax expense reported in the statement of profit or loss	**3,604**	5,732

OCI section

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

Particulars	**31.03.2020 (₹ in Lakhs)**	31.03.2019 (₹ in Lakhs)
Re-measurement of the defined benefit liability / asset	**(379)**	(14)
	(379)	(14)

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

Particulars	31.03.2020	31.03.0219
Profit before income taxes	**15,727**	18,180
Enacted tax rates in India	**25.170%**	34.944%
Computed expected tax expenses	**3,959**	6,353
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	**(643)**	(807)
Donation	**23**	56
Disallowance u/s 14A	**90**	113
Provision for employees long term incentive plan	**102**	6
Others	**73**	11
Total income tax expense	**3,604**	5,732

(C) The movement in the current income tax asset/ (liability) for the year ended 31 March 2020 and 31 March 2019 is as follows:

Particulars	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Net current income tax asset/ (liability) at the beginning	**1,320**	1,149
Income tax paid	**5,011**	5,912
Current income tax expense	**(3,764)**	(5,741)
Income tax on other comprehensive income		
Net current income tax asset/ (liability) at the end	**2,567**	1,320

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

Particulars	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Deferred income tax assets		
Provision for compensated absences	322	375
Provision for doubtful debts	268	42
Others	(43)	102
Total deferred income tax assets	547	519
Deferred income tax liabilities		
Difference between tax balance and book balance of fixed assets	267	316
Adjustment on initial application of IndAS 115	-	46
Amortisation of Revenue	13	-
Others	18	68
Total deferred income tax liabilities	298	430
Deferred income tax Assets (net)	249	89

(E) The gross movement in the deferred income tax account for the year ended 31 March 2020 and 31 March 2019, is as follows:

Particulars	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Net deferred income tax assets at the beginning	**89**	126
Add:		
Provision for compensated absences	**(53)**	
Provision for gratuity expenses	**-**	35
Provision for doubtful debts	**226**	
Amortisation of assets	**-**	(29)
Other	**(163)**	15
Less:		
Difference between tax balance and book balance of fixed assets	**(49)**	90
Adjustment on initial application of Ind AS 115	**(46)**	46
Amortisation of Revenue	**(55)**	(78)
Net deferred income tax assets at the end	**249**	**89**

7. Other assets

Particulars		Non-current		Current	
		31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
(A)	**Capital advances**	**14**	172	**-**	-
(B)	**Advances to related parties**	**42**	42	**-**	-
(C)	**Other advances**				
	Prepaid expenses	**42**	283	**782**	1,104
	Loans to employees	**2**	2	**-**	3
	GST credit receivable	**-**	-	**1,807**	1,092
	Advance to suppliers	**-**	-	**1,851**	369
	Others	**-**	-	**31**	21
		100	**499**	**4,471**	2,589

8. Current investments

Currency : (₹ in Lakhs)

		As at 31 March, 2020					As at 31 March, 2019		
		Year of maturity	Rate of interest	No. of Units	Face Value	Amount	No. of Units	Face Value	Amount
Non convertible debentures									
1	Rural Electrification Corporation	2019	8.72	2	1,000,000	-	2	1,000,000	19
2	TATA Capital Financial Services Limited	2019	9.95	2	1,000,000	-	2	1,000,000	10
3	Rural Electrification Corporation	2020	8.65	2	1,000,000	-	2	1,000,000	19
4	Housing Development and Finance Corporation Limited	2020	8.79	2	1,000,000	20	-	-	-
Liquid Mutual funds									
1	Units of Axis Treasury Advantage Fund - Institutional Daily Dividend Reinvestment			-	-	-	56,055	1,007	565
2	Units of Axis Liquid Fund - Institutional Daily Dividend Reinvestment			52,576	1,001	526	50,474	1,001	505
3	Units of Principal Cash Management Fund-Dividend Reinvestment Daily			-	-	-	53,279	952	507
4	Units of UTI Liquid Cash Plan Fund - Institutional Plan (Daily Dividend Option)			51,592	1,019	526	49,553	1,019	505
5	Aditya Birla Sun Life Liquid Fund-Daily Dividend - Direct Plan			-	-	-	500,355	100	502
6	LIC MF Liquid Fund- Daily Dividend Reinvestment			47,935	1,098	526	46,009	1,098	505
7	ICICI Prudential Liquid Plan- Daily Dividend Reinvestment			521,726	100	522	500,815	100	502
8	IDFC Cash Fund- Daily Dividend Reinvestment						50,048	1,002	502
9	Canara Robeco Liquid Fund- Direct Daily Dividend Reinvestment						49,872	1,006	501
	Total					2,120			4,642

9. Trade receivables

Currency : (₹ in Lakhs)

Particulars	Current	
	31.03.2020 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**
Unsecured, considered good unless stated otherwise		
Unsecured, considered good	21,071	18,188
Credit Impaired	119	-
Doubtful	1,063	119
	22,253	18,307
Less: Provision for doubtful debts	**(1,182)**	(119)
Total	**21,071**	18,188

10. Cash and cash equivalents

Particulars	Current	
	31.03.2020 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**
Cash and cash equivalents		
Cash on hand	**1**	1
Balances with banks in current accounts	**4,098**	3,938
	4,099	3,939

11. Other bank balances

Particulars	Current	
	31.03.2020 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**
Bank deposits with original maturity for more than 3 months but less than 12 months	**907**	1,610
Total	**907**	1,610

12. Equity share capital

Currency : (₹ in Lakhs)

Particulars	Non-current	
	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Authorised		
500,000,000 (31 March 2019: 500,000,000) equity shares of ₹ 10 each.	**50,000**	50,000
Issued, Subscribed and Paid-up		
40,007,981 (31 March 2019: 40,005,300) equity shares of ₹ 10 each fully paid up.	**4,001**	4,001
Total	**4,001**	4,001

a) Reconciliation of number of shares

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount (₹ in Lakhs)	Number of shares	Amount (₹ in Lakhs)
Equity shares				
Opening balance	**40,005,300**	**4,001**	40,000,000	4,000
Issued during the year	**2,681**	**0**	5,300	1
Closing balance at the end of the year	**40,007,981**	**4,001**	**40,005,300**	**4,001**

b) Rights, preferences and restrictions attached to shares

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

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Numbers of shares held	% of holding	Numbers of shares held	% of holding
NSE Investments Limited	**10,018,000**	**25.04**	10,018,000	25.05
IIFL Special Opportunities Fund	**2,894,507**	**7.24**	2,894,507	7.24
Administrator of Specified Undertaking of Unit Trust of India	**2,732,000**	**6.83**	2,732,000	6.83
IIFL Special Opportunities Fund – Series 4	**2,499,178**	**6.25**	2,499,178	6.25
IIFL Special Opportunities Fund – Series 2	**2,016,366**	**5.04**	2,016,366	5.04

d) 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

Currency : (₹ in Lakhs)

		31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
a)	**Capital redemption reserve**		
	(i) Opening balance	**2,500**	2,500
	(ii) Transfer from retained earnings	**-**	-
		2,500	2,500
b)	**General reserve**		
	(i) Opening balance	**39,843**	29,843
	(ii) Transfer from retained earnings	**-**	10,000
		39,843	39,843
c)	**Retained earnings**		
	(i) Opening balance	**20,438**	21,038
	(ii) Adjustment on account adoption of Ind AS 115	**-**	86
	(iii) Transfer to general reserve	**-**	(10,000)
	(iv) Dividend (including tax on dividend)	**(3,135)**	(3,134)
	(vi) Profit for the year	**12,124**	12,448
		29,427	20,438
d)	**Other comprehensive income**		
	(i) Opening balance	**(504)**	(490)
	(ii) Re-measurement of the defined benefit net liability / asset (net of tax)	**(379)**	(14)
		(883)	(504)
e)	**ESOP reserve**		
	(i) Opening balance	**347**	97
	(ii) Share based payments to employees	**121**	250
		468	347
f)	**Securities premium**		
	(i) Opening balance	**16**	-
	(ii) Share based payments to employees	**8**	16
		24	16
		71,379	**62,640**

14. Trade payables

Currency : (₹ in Lakhs)

Particulars		Current	
		31.03.2020 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**
Trade payables			
	Dues of micro enterprises and small enterprises	606	508
	Dues of creditors other than micro enterprises and small enterprises	8,272	8,486
		8,878	**8,994**

15. Other financial liabilities

Particulars	Non-current		Current	
	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)	**31.03.2020 (₹ in Lakhs)**	31.03.2019 (₹ in Lakhs)
Liability for expenses	**-**	-	**-**	3
Creditors for capital expenditure	**-**	-	**351**	130
Directors' commission payable	**-**	-	**122**	112
Other liabilities	**-**	-	**155**	316
Deferred revenue	**164**	328	**407**	199
Total	**164**	**328**	**1,035**	**760**

16. Provision

Particulars	Non-current		Current	
	31.03.2020 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**	**31.03.2020 (₹ in Lakhs)**	**31.03.2019 (₹ in Lakhs)**
Provision for leave travel allowance	**-**	-	**42**	48
Provision for employee incentives	**-**	171	**1,126**	940
Gratuity payable	**-**	-	**672**	280
Provision for leave encashment	**216**	241	**1,063**	831
Total	**216**	**412**	**2,903**	**2,099**

17. Other current liabilities

Currency : (₹ in Lakhs)

Particulars	Current	
	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Advances from customers	**995**	853
Goods and service tax payable	**801**	1,041
TDS payable	**250**	408
Other statutory liabilities	**54**	42
Income received in advance	**1,969**	2,917
Total	**4,069**	5,261

18. Revenue from operations

Particulars	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Revenue disaggregation by nature of services is as follows:		
Sale of services		
Transaction fees	**56,963**	59,605
Accounts maintenance fees	**14,175**	15,189
Other operational income	**475**	731
Other operating revenues		
Recovery against bad debts	**-**	100
Total	**71,613**	75,625

Information about major customers:

No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2020 and March 31, 2019. While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.)

The table below discloses the movement in contract liabilities during the year ended 31 March 2020 and 31 March 2019

	31-Mar-20	31 March 2019
Balance at the beginning of the year	2,917	3,719
Add: Invoices Raised for which no revenue is recognised during the year	1,969	2,917
Less: Revenue recognised that was included in the contract liabilities at the beginning of the year	2,917	3,719
Balance at the end of the year	1,969	2,917

Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

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

Particulars	31 March 2020	31 March 2019
Revenue from contracts with customers (as per Statement of Profit and Loss)	**71,613**	75,625
Add: Discounts, rebates, refunds, credits, price concessions	**-**	-
Less / Add: Deferred and unbilled revenue adjustments	**1,017**	1,120
Add: Allocation of transaction price from bundled contracts	**-**	-
Contracted price with the customers	**70,596**	74,505

Practical expedients used

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

19. Other income

Currency : (₹ in Lakhs)

Particulars	**31.03.2020 (₹ in Lakhs)**	31.03.2019 (₹ in Lakhs)
Interest income		
On investment	**2,695**	2,307
On overdue trade receivables	**677**	358
On Security deposits	**75**	-
On others	**-**	86
Dividend income	**163**	116
Support charges	**66**	80
Data centre revenue	**-**	357
Rent income	**171**	156
Miscellaneous income	**2**	20
Total	**3,849**	**3,480**

20. Employee benefits expenses

Particulars	**31.03.2020 (₹ in Lakhs)**	31.03.2019 (₹ in Lakhs)
Salaries, wages and bonus	**5,762**	5,361
Share based payments to employees	**121**	250
Contribution to provident and other fund	**699**	643
Staff welfare expenses	**281**	264
Total	**6,863**	6,518

21. Other expenses

Currency : (₹ in Lakhs)

Particulars	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Rent	**112**	1,579
Communication expenses	**793**	800
Travelling and conveyance expenses	**651**	659
Annual fees	**933**	743
Processing charges	**38,457**	41,072
Repairs and maintenance		
- To buildings	**294**	327
- To computers, trading and telecommunication systems	**5,545**	5,084
- To others	**85**	114
Insurance	**148**	153
Rates and taxes	**99**	122
Advertisement and publicity	**110**	135
Legal and professional fees	**435**	342
Printing and stationery expenses	**19**	29
Payment to auditor (refer note below)	**31**	38
Electricity charges / power fuel	**372**	437
Directors' sitting fees	**30**	37
Directors' commission	**122**	124
Excess provision written back	**-**	1
Provision for doubtful debts	**1,063**	-
Loss on sale /discard of assets (net)	**1**	12
Loss on sale of investment	**-**	5
Expenditure incurred on CSR activities (refer note 32)	**181**	322
Miscellaneous expenses	**482**	267
Total	**49,963**	52,402
Note :		
Payment to auditor		
As auditor:		
Audit fees	27	24
Tax audit fee	2	4
In other capacity:		
Certification matters	6	-
Limited review Certification	5	10
Total	**40**	38

22. Earnings Per Share

Currency : (₹ in Lakhs)

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

Particulars		31.03.2020	31.03.2019
Net profit attributable to shareholders			
(a)	Profit before exceptional item and tax	**15,727**	18,180
	Tax on above	**3,604**	5,732
	Profit after tax and before exceptional item (A)	**12,124**	12,448
	Other comprehensive income (B)	**(379)**	(14)
Total Comprehensive Income (A+B)		**11,745**	12,434
Weighted average number of equity shares issued (No. in lakhs)		**401**	400
Basic earnings per share of ₹ 10/- each (in ₹)		**30.30**	31.12
Weighted average number of equity shares issued (No. in lakhs)		**404**	401
Diluted earnings per share of ₹ 10/- each (in ₹)		**30.02**	31.03

23. Financial Instruments

23.1 Financial instruments by category

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

Particulars	Other financial liabilities (Other than provisions in ("b") below)	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated Upon Initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 10)	3,939	-	-	-	-	3,939	3,939
Investments							
Tax free bonds (refer note 4)	32,182	-	-	-	-	32,182	32,182
Liquid mutual fund units (refer note 8)	-	-	4,594	-	-	4,594	4,594
Non convertible debentures (refer note 4 & 8)	482	-		-	-	482	482
Trade receivables (Refer Note 9)	18,188	-	-	-	-	18,188	18,188
Other financial assets (Refer Note 5)	6,610	-	-	-	-	6,610	6,610
Total	61,401	-	4,594	-	-	65,995	65,995
Liabilities:							
Trade payables (Refer Note 14)	8,994	-	-	-	-	8,994	8,994
Other financial liabilities (Refer Note 15)	1,088	-	-	-	-	1,088	1,088
Total	10,082	-	-	-	-	10,082	10,082

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows:

Currency : (₹ in Lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated Upon Initial recognition	Mandatory	Equity instruments designated upon initial recognition	Manda-tory		
Assets:							
Cash and cash equivalents (Refer Note 10)	4,099	-	-	-	-	4,099	4,099
Investments							
Tax free bonds (refer note 4)	38,083	-	-	-	-	38,083	38,083
Liquid mutual fund units (refer note 8)	-	-	2,120	-	-	2,120	2,120
Non convertible deben-tures (refer note 4 & 8)	434	-		-	-	434	434
Trade receivables (Refer Note 9)	21,071	-	-	-	-	21,071	21,071
Other financial assets (Refer Note 5)	4,821	-	-	-	-	4,821	4,821
Total	68,509	-	2,120	-	-	70,628	70,628
Liabilities:							
Trade payables (Refer Note 14)	8,878	-	-	-	-	8,878	8,878
Other financial liabilities (Refer Note 15)	1,199	-	-	-	-	1,199	1,199
Total	10,077	-	-	-	-	10,077	10,077

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

Particulars	**As of 31 March 2019**	**Fair value measurement at end of the reporting period/year using**		
		Level 1	**Level 2**	**Level 3**
Assets				
Investments in liquid mutual fund units (Refer Note 8)		4,594	-	-
Investments in tax free and govt bonds (Refer Note 4)		-	32,182	-
Investments in non convertible debentures (Refer Note 4)		482	-	-

Currency : (₹ in Lakhs)

Particulars	As of 31 March 2020	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer Note 8)		2,120	-	-
Investments in tax free and govt bonds (Refer Note 4)		-	38,083	-
Investments in non convertible debentures (Refer Note 4)		434	-	-

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.

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 ₹18,188 lakhs and ₹ 19,975 lakhs as of 31 March 2019 and 31 March 2020, 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:

Particulars	31 March 2020	31 March 2019
Revenue from top customer	5	4
Revenue from top five customers	13	9

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 2019 was 119 lakhs

Particulars	31 March 2020	31 March 2019
Balance at the beginning	119	-
Amounts written off	-	-
Net remeasurment of loss allowance	1,063	119
Balance at the end	**1,182**	**119**

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

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.

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. 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.

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 Lakhs

Particulars	31 March 2020	31 March 2019
Current assets	35,160	33,037
Current liability	17,607	17,651
Working capital	**17,553**	15,386
Cash and cash equivalents	4,099	3,939
Investments	2,120	4,642

As of 31 March 2019 and 31 March 2020, the outstanding employee benefit obligations were ₹ 280 lakhs and ₹ 672 lakhs (refer note no 16) respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2020

₹ in Lakhs

Particulars	Less than 1 year	1-2 years	4-7 years	Total
Trade payables (refer note 14)	8,878	-	-	8,878
Other financial liabilities (refer note 15)	1,199	-	-	1,199

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

₹ in Lakhs

Particulars	Less than 1 year	1-2 years	4-7 years	Total
Trade payables (refer note 14)	8,994	-	-	8,994
Other financial liabilities (refer note 15)	1,088	-	-	1,088

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

i) Defined contribution plan:

(a) Company's contribution towards superannuation amounting to ₹155 Lakhs (31 March 2019: ₹154 lakhs).

(b) Provident fund: Eligible employees of the Company receive benefit under the provident fund which is a defined contribution plan where in both the employee and the Company make monthly contributions equal to a specified percentage of the covered employees' salary. These contributions are made to the fund administered and managed by the Government of India. The Company's monthly contributions are charged to the statement of profit and loss in the period they are incurred. The total charge for the year amounts to ₹ 234 Lakhs (31 March 2019 - ₹ 215 Lakhs).

ii) Defined benefit plan :

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

i) Assumptions:

(₹ in Lakhs)

Particulars	**31.03.2020**	31.03.2019
Weighted Average Duration of the Projected Benefit Obligation	**9**	9
Discount rate	**6.87%**	7.76%
Rate of return on plan assets	**6.87%**	7.76%
Salary escalation	**8.00%**	8.00%
Attrition rate	**5.00%**	5.00%

ii) Sensitivity analysis

(₹ in Lakhs)

Particulars	**31.03.2020**	31.03.2019
Projected benefit obligation on current assumptions	**4,410**	3,580
Delta effect of +1% change in rate of discounting	**(323)**	(260)
Delta effect of -1% change in rate of discounting	**378**	303
Delta effect of +1% change in rate of salary increase	**370**	299
Delta effect of -1% change in rate of salary increase	**(323)**	(261)
Delta effect of +1% change in rate of employee turnover	**(33)**	(9)
Delta effect of -1% change in rate of employee turnover	**37**	10

iii) Table showing change in benefit obligation:

(₹ in Lakhs)

Particulars	**31.03.2020**	31.03.2019
Liability at the beginning of the year	**3,568**	3,070
Interest cost	**278**	238
Current service cost	**268**	244
Benefits paid	**(79)**	(26)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	**290**	(8)
Actuarial (gains)/losses on obligations - due to experience	**74**	50
Liability at the end of the year	**4,398**	3,568

iv) Table showing fair value of plan assets:

(₹ in Lakhs)

Particulars	31.03.2020	31.03.2019
Fair value of plan assets at the beginning of the year	**3,287**	2,737
Interest income	**256**	212
Contributions	**278**	337
Benefits paid	**(79)**	(26)
Actuarial gain / (loss) on plan assets	**(15)**	27
Fair value of plan assets at the end of the year	**3,727**	3,287

v) Amount recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	31.03.2020	31.03.2019
Fair value of plan assets as at the end of the year	**3,727**	3,287
Liability as at the end of the year	**4,398**	3,568
Net (liability) disclosed in the Balance Sheet	**(672)**	(280)

vi) Net interest cost for current period/year

(₹ in Lakhs)

Particulars	31.03.2020	31.03.2019
Interest cost	**278**	238
Interest income	**(256)**	(212)
Net interest cost for current seat	**22**	26

vii) Expenses recognised in the Statement of Profit & Loss

(₹ in Lakhs)

Particulars	31.03.2020	31.03.2019
Current service cost	**268**	244
Net interest cost	**22**	26
Expenses recognised in the Statement of Profit & Loss	**290**	270

viii) Expenses recognised in the other comprehensive income

(₹ in Lakhs)

Particulars	31.03.2020	31.03.2019
Expected return on plan assets	**15**	(27)
Actuarial (gain) or loss	**364**	41
Net(income) response for the year recognized in OCI	**379**	14

(ix) Balance sheet reconciliation

(₹ in Lakhs)

Particulars	31.03.2020	31.03.2019
Opening net liability	**268**	244
Expenses recognized in statement of profit or loss	**22**	26
Expenses recognized in OCI	**379**	14
Employers contribution	**278**	337
Amount recognised in the balance sheet	**672**	280

(x) Category of assets

(₹ in Lakhs)

Particulars	31.03.2020	31.03.2019
LIC of India - Insurer managed funds	**3,727**	3,287
Total	**3,727**	3,287

(xi) Expected contribution for next year

Particulars	31.03.2020	31.03.2019
Expected contribution for next year	**350**	293
Total	**350**	293

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

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:

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

Related party
a. Company 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 & CEO
Mr. Jayesh Sule - WTD & COO
Mr. Tejas Desai - CFO
Mr.Maulesh Kantharia - Company Secretary

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

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

(₹ in Lakhs)

Nature of transactions	For the year ended	KMP of the Company and KMP of Parent Company	Foreign subsidiary	Company having substantial interest
Dividend paid	March 31, 2020	-	-	1,431
	March 31, 2019	-	-	1,431
Remuneration paid	March 31, 2020	866	-	-
	March 31, 2019	829	-	-
Loans and advances	March 31, 2020	-	42	-
	March 31, 2019	-	42	-

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

27 Change due to Transition to Ind AS 116 "Leases"

Following are the changes in the carrying value of right-of-use assets for the year ended 31 March 2020:

(₹ in Lakhs)

Particulars	As at 31 March 2020 (₹ in Lakhs)
Balance as of 1 April 2019	-
Reclassified on account of adoption of Ind AS 116	2,274
Additions	-
Deletions	-
Depreciation	813
Balance as of 31 Mar 2020	**1,461**

The aggregate depreciation expense on ROU assets is included under 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 2020

Particulars	As at 31 March 2020 (₹ in Lakhs)
Current lease liabilities	722
Non-current lease liabilities	668
Total	**1,390**

The following is the break-up of current and non-current lease liabilities as at 31 March 2020.

(₹ in Lakhs)

Particulars	As at 31 March 2020 (₹ in Lakhs)
Balance as of 1 April 2019	-
Reclassified on account of adoption of Ind AS 116	2,032
Additions	
Finance cost accrued during the period	162
Deletions	
Payment of lease liabilities	804
Balance as of 31 Mar 2020	1,390

Interest on lease liabilities is ₹ 162 lakhs for the year ended on 31 March 2020

The table below provides details regarding the contractual maturities of lease liability as at 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March 2020 (₹ in Lakhs)
Less than one year	822
One to five years	712
More than five years	-
Total	**1,533**

Rental expense recorded for short-term leases was ₹ 99.82 lakhs for the year ended 31 March 2020

Rental expense recorded for leases of low -value assets was ₹ 12.18 lakhs for the year ended 31 March 2020

The total cash outflow for leases is ₹ 804 lakhs for the year ended 31 March 2020, including cash outflow of short-term leases and leases of low-value assets.

28. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 299 lakhs (previous year : ₹ 1896 lakhs)

29. Contingent liability:

(i) Claims against the Company not acknowledged as debts: ₹ 99 lakhs (31 March 2019 : ₹ 99 lakhs) (net) #

(ii) On account of disputed demand raised by Sales tax officer for MVAT and CST: ₹ 2,260 lakhs (31 March 2019 ₹ 2,260 lakhs) @

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

There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

MVAT payable to seller on purchase of Times Tower premises

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

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

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

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-- Principal	606	508
-- Interest	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

31. Employee Stock Option Plan

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

Grant date	Exercise Price	Options granted	Options vested and Exercisable	Options unvested	Options exercised	Options cancelled	Rounding off difference	Options out-standing
December 4, 2017	310.00	396,192	209,392	171,102	7,981	7,717	2	380,492
Total		396,192	209,392	171,102	7,981	7,717	2	380,492

Movement of stock options during the year

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020				For the year ended 31 March 2019			
	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	385,857	310	310	4.03	396,192	310.00	-	6.03
Granted during the year	-	-	-	-	-	-	-	-
Adjusted for corporate action of bonus and split	-	-	-	-	-	-	-	-
Forfeited during the year	2,682	310	310	-	5,035.00	310.00	-	-
Expired during the year	-	-	-	-	-	-	-	-
Exercised during the year	2,681	310	310	-	5,300.00	310.00	-	-
Rounding off difference	2	-	-	-				
Outstanding at the end of the year	380,492	310	310	3.03	385,857	310.00	-	4.03
Exercisable at the end of the year	209,392	310	2.19		-	-	-	-

Significant assumptions used to estimate the fair value of options:

Variables	For the year ended 31 March 2020	For the year ended 31 March 2019
1. Risk Free Interest Rate	No Options Granted during the year 2019-20	6.77%
2. Expected Life		3.83
3. Expected Volatility		60.18%
4. Dividend Yield		2.10%
5. Price of the underlying share in market at the time of the option grant (₹)		310.00

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

a) Gross amount spent by the Company on Corporate Social Responsibility activities during the financial year 2019-20 is ₹ 371 lakhs (31 March 2019: ₹ 181 lakhs).

b) Amount spent during the year:

(₹ in Lakhs)

	Amount paid	Paid in subsequent period	Yet to be paid	Total
Construction / acquisition of any asset	-	-	-	-
On above purpose	181	190	98	469

33. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its funds in a manner that it achieve maximum returns (net of taxes) with minimum risk to the capital and consider the liquidity concerns for its working capital requirements.

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

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

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

35. "The beginning of 2020 has witnessed the global spread of COVID-19, i.e. coronavirus. It is an evolving human tragedy declared a global pandemic by the World Health Organisation with 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 Company has done detailed assessment of its assets comprising of tangible and intangible assets, investments, receivables (including unbilled) and other current assets considering both internal and external information available till date. On the basis current assessment and estimates, the company does not see risk of recoverability of its current and non-current assets and accordingly no material adjustment is required in its financial statements. Given the uncertainties associated with nature, condition and duration of COVID -19, the impact assessment on the company'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."

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

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place : **Mumbai**
Date : 22 June 2020

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Tejas Desai
Chief Financial Officer

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Maulesh Kantharia
Company Secretary

CONSOLIDATED FINANCIAL STATEMENT

Independent Auditor's Report

To the Members of
NSDL e-Governance Infrastructure Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of NSDL e-Governance Infrastructure Limited (hereinafter referred to as the "Holding Company") and it's a subsidiary (Holding Company and its subsidiary together referred to as "the Group") which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement or profit and loss (including other comprehensive income). consolidated statement of changes in equity and consolidated statement of cash Ilows 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 statement ").

In our opinion and to the best of our information and according to the explanations given to us, 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 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash llows 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 fulfil led our other ethical responsibilities in accordance with these requirements.

Other Information

The Holding Company management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report. but does not include the financial statement and our auditors· 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. ba ed 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' Responsihilities for the Consolidated Financial Statements

The Holding Company's Management and Board or Directors are responsible for the preparation and presentation or these consolidaied 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 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 Standard, (Ind A) specified under section 133 or the Act. The respective Management and Board or Directors or the companies included in the Group are responsible for maintenance or 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 control, that were operating effectively for en uring accuracy and completeness of the accounting records, relevant to the preparation and presentation or 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board or Directors or 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 basi 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 or Directors of the companies included in the Group is responsible for overseeing the financial reporting proces 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 clecisions 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 or internal control.

- Obtain an undersranding 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 taternents 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 a 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 or such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company of which we are the independent auditor. 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

The financial statements of one subsidiary whose financial statements reflect total assets of Rs. 5.47 lakhs as at 31 March 2020. total revenues of Rs. Nil and net cash flows amounting to Rs. 5.11 lakhs 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-sections (3) of ection 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. The above total assets, revenues and net cashflows are before giving effect to any consolidation adjustments

Our opinion on the consol idatcd financial statements. and our report on Other Legal and Regulatory Requirements below. i · not modified in respect of the above matters with respect to the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report and on the consideration of the unaudited financial statements of a subsidiary, 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.

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

d) In our opinion. tile 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 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2020 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 or the I lolding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

A. 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:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2020.

iv, The disclosures in the consolidated financial statements regarding holdings as well as dealing in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial satements since they do not pertain to the financial year ended 31 March 2020.

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

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

Shabbir Readymadewala
Partner
Membership No. 100060
ICAI UDIN: 20100060AAAABS8954

Place: Mumbai
Date: 22 June 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of NSDL e-Governance Infrastructure Limited for the year ended 31 March 2020

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

(Referred to in paragraph (1)(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 the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of NSDL e-Governance Infrastructure Limited (hereinafter referred to as "the Holding Company").

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The holding 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 holding Company considering the essential components of internal control stated in the Guidance ore. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an oprruon 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 effectivene s. 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, as essing 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 is sufficient and appropriate to provide a basis for 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 cction 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to consolidated financial statements is restricted to the Holding Company since the subsidiary of the Holding Company is a foreign subsidiary, which is not subject to the Report on the Internal Financial Controls.

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

Shabbir Readymadewala
Partner
Membership No. 100060
ICAI UDIN: 20100060AAAABS8954

Place: Mumbai
Date: 22 June 2020

Consolidated Balance Sheet as at 31 March 2020

Currency : (₹ in Lakhs)

Particulars				As at 31.03.2020	As at 31.03.2019
		Assets			
1	**Non-current assets**				
	a	Property, plant and equipment's	2	**4,854**	13,100
	b	Capital work-in-progress		**543**	513
	c	Right of use assets	28	**1,461**	-
	d	Other intangible assets	2	**40**	413
	e	Financial assets			
	i	Investments	4	**38,491**	32,610
	ii	Other financial assets	5	**2,329**	2,934
	f	Income tax assets (net)	6	**2,570**	1,856
	g	Deferred tax assets (net)	6	**248**	83
	h	Other non-current assets	7	**58**	457
		Total non-current assets		**50,594**	51,966
2	**Current assets**				
	a	Financial assets			
	i	Investments	8	**2,120**	4,642
	ii	Trade receivables	9	**21,071**	18,188
	iii	Cash and cash equivalents	10	**4,104**	3,939
	iv	Other bank balances (bank balances other than iii above)	11	**907**	1,610
	v	Other financial assets	5	**2,492**	2,069
	b	Other current assets	7	**4,471**	2,589
		Total current assets		**35,165**	33,037
3	**Assets held for sale**		3	**8,240**	-
		Total assets		**93,999**	85,003

Currency : (₹ in Lakhs)

Particulars				As at 31.03.2020	As at 31.03.2019
		Equity and liabilities			
1	**Equity**				
	a	Equity share capital	12	**4,001**	4,001
	b	Other equity	13	**71,350**	62,617
		Equity attributable to shareholders of the company		**75,369**	66,629
		Non-controlling interest	13	**(18)**	(11)
		Total equity		**75,351**	66,618
2	**Liabilities**				
	1	**Non-current liabilities**			
	a	Financial liabilities			
	i	Lease liabilities	28	**668**	-
	ii	Other financial liabilities (Other than provisions in ("b") below)	15	**164**	328
	iii	Provisions	16	**216**	412
		Total non-current liabilities		**1,048**	740
	2	**Current liabilities**			
	a	Financial liabilities			
	i	Trade payables			
		1. Dues of micro enterprises and small enterprises	14 & 31	**606**	508
		2. Dues of creditors other than micro enterprises and small enterprises	14	**8,265**	8,486
	ii	Lease liabilities	28	**722**	-
	iii	Other financial liabilities (Other than provisions in ("b") below)	15	**1,035**	759
	b	Provisions	16	**2,903**	2,099
	c	Income tax liabilities (net)	6	**-**	532
	d	Other current liabilities	17	**4,069**	5,261
		Total current liabilities		**17,600**	17,645
		Total equity and liabilities		**93,999**	85,003
Summary of significant accounting policies and The accompanying notes are an integral part of the financial statements.			1 to 36		

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 : 22 June 2020

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

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Consolidated Statement of Profit and Loss for the financial year ended 31st March 2020

Currency : (₹ in Lakhs)

		For the year ended 31.03.2020	For the year ended 31.03.2019
Income			
Revenue from operations	18	**71,613**	75,625
Other income	19	**3,849**	3,480
Total Income		**75,462**	79,105
Expenses			
Employee benefits expense	20	**6,863**	6,518
Finance costs	28	**162**	18
Depreciation and amortisation expense	2 & 28	**2,746**	1,989
Other expenses	21	**49,977**	52,416
Total Expenses		**59,748**	60,941
Profit before tax		**15,714**	18,164
Less : Tax expenses			
Current tax	6	**3,761**	5,737
Deferred tax		**(165)**	(3)
Total tax expenses		**3,596**	5,734
Profit for the year (A)		**12,118**	12,430
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the defined benefit liability / asset (net of tax)		**(379)**	(14)
Total other comprehensive income (net of tax) (B)		**(379)**	(14)
Total comprehensive income (A+B)		**11,739**	12,416
Profit attributable to:			
Owners of the company		**11,750**	12,423
Non-controlling Interest	27	**(11)**	(7)
Profit for the year		**11,739**	12,416
Earnings per equity share			
- Basic (₹)		**30.29**	31.08
- Diluted (₹)		**30.01**	30.99
Summary of significant accounting policies and The accompanying notes are an integral part of the financial statements.	1 to 36		

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

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : **Mumbai**
Date :

Sd/-
Tejas Desai
Chief Financial OfficerDate :

Sd/-
Maulesh Kantharia
Company Secretary

Consolidated statement of changes in equity for the year ended 31 March 2020

A. EQUITY SHARE CAPITAL

Currency : (₹ in Lakhs)

Balance as at 1 April 2018	Changes in equity share capital during the year	Balance as at 31 March 2019
4000	1	4001

Balance as at 1 April 2019	Changes in equity share capital during the year	Balance as at 31 March 2020
4001	-	4001

B. OTHER EQUITY

Currency : (₹ in Lakhs)

Particulars	Other equity							
	Attributable to owners of the company						Attributable to non controlling interest	Total
	Reserves and surplus			ESOP reserve	Securities premium	Other comprehensive income		
	Capital redemption reserve	General reserve	Retained earnings			Other items of other comprehensive income		
Balance at the April 1, 2018	**2,500**	**29,843**	**21,033**	**97**	**-**	**(490)**	**(4)**	**52,979**
Transfer from retained earnings	-	10,000	(10,000)	-	-	-	-	**-**
Adjustment on initial application of IndAS 115, net of tax	-	-	86	-	-	-	-	**86**
Re-measurement of the defined benefit liability / asset	-	-	-	-	-	(14)	-	**(14)**
Share based payments to employees	-	-	-	250	16	-	-	**266**
Non controlling interest of minority shareholders in subsidiary	-	-	-	-		-	(7)	**(7)**
Dividend (including tax on dividen)	-	-	(3,134)	-	-	-	-	**(3,134)**
Profit for the year ended March 31, 2019	-	-	12,430	-	-	-	-	**12,430**
Balance at the March 31, 2019	**2,500**	**39,843**	**20,415**	**347**	**16**	**(504)**	**(11)**	**62,606**

Currency : (₹ in Lakhs)

Particulars	Other equity						Attributable to non controlling interest	Total
	Attributable to owners of the company							
	Reserves and surplus			ESOP reserve	Securities premium	Other comprehensive income		
	Capital redemption reserve	General reserve	Retained earnings			Other items of other comprehensive income		
Balance at the April 1, 2019	**2,500**	**39,843**	**20,415**	**347**	**16**	**(504)**	**(11)**	**62,606**
Re-measurement of the defined benefit liability / asset	-	-	-	-	-	(379)	-	**(379)**
Share based payments to employees	-	-	-	121	-	-	-	**121**
Non controlling interest of minority shareholders in subsidiary							(7)	**(7)**
Share based payments to employees					8		-	**8**
Dividend (including tax on dividen)	-	-	(3,135)	-	-	-	-	**(3,135)**
Profit for the year ended March 31, 2020	-	-	12,118	-	-	-	-	**12,118**
Balance at the March 31, 2020	**2,500**	**39,843**	**29,398**	**468**	**24**	**(883)**	**(18)**	**71,332**

Note:

 # Purpose of Reserve stated as follows:

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

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

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

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

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

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : **Mumbai**
Date : 22 June 2020

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Consolidated Statement of Cash Flows for the year ended 31 March 2020

Currency : (₹ in Lakhs)

		For the year ended 31.03.2020	For the year ended 31.03.2019
A)	**Cash flow from operating activities**		
	Profit before tax	**15,714**	18,164
	Adjustments for :		
	Depreciation and amortisation	**2,746**	1,989
	Amortisation of premium / discount on Government/debt securities	**172**	146
	Loss on sale /discard of assets	**1**	12
	Provision for impairment of assets	**-**	6
	Provision for doubtful debts	**1,063**	-
	Loss on sale of current investment	**-**	5
	Adjustments for :		
	Interest Income on Long Term Investment	**(2,610)**	(2,263)
	Interest Income on Bank deposit	**(257)**	(190)
	Finance cost	**162**	18
	Share based payments to employee	**121**	250
	Gratuity OCI	**-**	(14)
	(Profit)/Loss on sale/redemption of long term investments	**(2)**	
	Dividend received - others	**(163)**	(116)
	Operating cash flow before changes in working capital	**16,947**	18,007
	Changes in working capital		
	Trade receivable	**(3,946)**	(1,650)
	Other Assets	**(1,817)**	825
	Trade Payable	**(1,313)**	(1,605)
	Other financial liabilities, other liabilities and provisions	**522**	3,019
	Net changes in working capital	**10,393**	18,596
	Income taxes paid	**(5,007)**	(5,911)
	Net cash used in operating activities (A)	**5,386**	12,685

Currency : (₹ in Lakhs)

		For the year ended 31.03.2020	For the year ended 31.03.2019
B)	**Cash flow from investing activities**		
	Purchase of property plant and equipment and capital advances given	**(1,222)**	(2,740)
	Proceeds from sale of fixed assets	**3**	21
	Interest received	**2,403**	2,312
	Dividend received	**163**	116
	Purchase of non-current investments (net of interest accrued upto date of purchase)	**(6,073)**	(7,933)
	Purchase of current investments	**-**	(6,618)
	Investment in fixed deposit	**884**	(1,249)
	Proceeds from redemption of non-current investments	**52**	100
	Proceeds from redemption of current investments	**2,500**	5,736
	Interest paid on income tax	**-**	(18)
	Net cash used in investing activities (B)	**(1,290)**	(10,273)
C)	**Cash flow from financing activities**		
	Proceeds from issue of share capital (including security premium amount)	**8**	17
	Dividend paid	**(2,600)**	(2,600)
	Dividend distribution tax paid	**(535)**	(535)
	Lease liability paid	**(804)**	
	Net cash used in financing activities (C)	**(3,931)**	(3,118)
	Net increase/(decrease) in cash and cash equivalents at the end of the year (A+B+C)	**165**	(705)
	Cash and cash equivalents at the beginning of the year	**3,939**	4,644
	Cash and cash equivalents at the end of the year	**4,104**	3,939

Notes to Consolidated Cash Flow Statement :

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

2 "The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2014 as amended from time to time."

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

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

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : **Mumbai**
Date : 22 June 2020

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

INDEPENDENT AUDITORS' REPORT

NSDL e-Governance Infrastructure Limited
Notes to consolidated financial statements
for the year ended 31st March 2020

Currency : (₹ in Lakhs)

1. Corporate information

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

The 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 approved the standalone financial statements for the year ended March 31, 2020 and authorised for issue on June 22nd, 2020.

1.1 Summary of significant accounting policies :

a) Statement of compliance

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

b) Basis of preparation of standalone financial statements

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

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

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

c) Use of estimates

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

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 Company has considered internal and external information upto the date of approval of these consolidated 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 consolidated 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.

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 equires 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 Group 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.

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,

Income taxes

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

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

Fair value measurement of financial instruments

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

Trade receivables

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

(3) determine the transaction price,

(4) allocate the transaction price to the performance obligations in the contract and

(5) recognize revenues when a performance obligation is satisfied.

Performance obligations

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

The performance obligations of the Company are satisfied over time as services are rendered.

(1) The subscription income is recognised over the subscription period;

(2) The installation revenue is recognised over the period when the Company is expected to realise economic benefits from such installation;

(3) The carriage income is recognised on a straight-line basis;

(4) Other operating revenues are recognised on satisfaction of performance obligation by transferring services (control of asset) to the customer.

Determination of transaction price

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

Allocation of transaction price

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

Contract balances

A contract asset is right to consideration in exchange of services that the Company has rendered to a customer when that right is conditioned on something other than passage of time. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

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

i. Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.
ii. Revenue related to fixed price maintenance and support services contracts, where the Company 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,
iv These services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
v 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 period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

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

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

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

Interest income

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

Dividend income

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

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 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.

f) Leases

The Company as a lessee

The Company's 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 interest rate implicit in the lease. 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.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The standard includes two recognition exemptions for lessees — leases of 'low value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease ierm of 12 months or less).

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information.

The Company has recorded the lease liability as the present value of the remaining lease payments, discounted at the incremental discounted rate as at 9% April 1, 2019 and the right of use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized. The Company has used the exemption option available for existing leases and applied the available exemptions regarding the recognition of short term leases and low value leasing assets.

The Company has also used the practical expedient provded by the standard and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.
The Company does not have any lease contracts wherein it acts as a lessor.

On transition, the adoption of the new standard resulted in recognition of right-of-use asset of Rs. 1461 Lacs and a lease liability of Rs. 1390 Lacs Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental discounted rate of 9 % has been applied to lease liabilities recognised in the balance sheet at the date of initial application (refer Note no 28).

All the other above amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

g) Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method.
Depreciation on additions / deletions is provided on pro-rata basis from the date of acquisition/ up to the date of deletion

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

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.

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 period 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 (currently 12% of employees' basic 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

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

The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC.

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

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

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

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

l) Income Tax

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

Current tax

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current tax assets and current tax liabilities are offset only if there is a legally 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 period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

m) Provisions, Contingent liabilities and Contingent assets

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

n) Cash Flow statement.

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

o) Cash and Bank balances

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

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

p) Earnings per share

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by weighted average number of equity shares outstanding during the year.

q) Financial instruments

Initial recognition

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

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 consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Loans and receivables

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

Impairment of financial assets

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

Derecognition of financial assets

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

Loans and receivables

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

Subsequent measurement

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate 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.

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

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

Derecognition of financial liabilities

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

Non-current Assets Held for Sale and Discontinued Operations

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

Offsetting arrangements

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

r) Dividends

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

1.2 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Recent Indian Accounting Standards (Ind AS).

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

i) Ind AS 116 - Leases

ii) Income tax consequences in case of dividends (Ind AS 12 – Income Taxes (amendments relating to income tax consequences of dividend));

iii) Accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities (Ind AS 12 – Income Taxes (amendments relating to uncertainty over income tax treatments));

iv) Accounting treatment for specific borrowings post capitalization of corresponding qualifying asset (Ind AS 23 – Borrowing Costs);

v) Accounting for prepayment features with negative compensation in case of debt instruments (Ind AS 109 – Prepayment Features with Negative Compensation);

vi) Accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans (Ind AS 19 – Plan Amendment, Curtailment or Settlement);

2. Property, plant, equipment's and intangible assets

Currency : (₹ in Lakhs)

	Property, Plant and Equipments								Other Intangible assets	
Particulars	Land Free-hold	Build-ing	Com-puters	Data and Tele-commu-nication equip-ments	Electric installa-tion	Office equip-ment	Furni-ture and fixtures	Total	Comput-er Soft-wares (others)	Total
Gross carrying value as of 1 April 2019	**1,574**	**9,422**	**6,727**	**1,806**	**1,285**	**2,694**	**1,247**	**24,755**	**4,827**	**4,827**
Additions	-	198	713	112	73	165	289	1,550	30	30
Deletions	1,574	4,328	1	119	881	1,976	849	9,728	-	-
Gross carrying value as of 31 March 2020	**-**	**5,292**	**7,439**	**1,799**	**477**	**883**	**687**	**16,577**	**4,857**	**4,857**
Accumulated depreciation as of 1 April 2019	**-**	**4,074**	**4,670**	**976**	**474**	**1,057**	**404**	**11,655**	**4,414**	**4,414**
Depreciation		92	593	179	97	446	123	1,530	403	403
Accumulated depreciation on deletion	-	154	1	43	192	867	206	1,463	-	-
Accumulated depreciation as of 31 March 2020	**-**	**4,012**	**5,262**	**1,112**	**379**	**636**	**321**	**11,722**	**4,817**	**4,817**
Carrying value as of 31 March 2020	**-**	**1,280**	**2,177**	**686**	**98**	**247**	**366**	**4,854**	**40**	**40**

Currency : (₹ in Lakhs)

	Property, Plant and Equipments								Other Intangible assets	
Particulars	**Land Free-hold**	**Build-ing**	**Com-puters**	**Data and Tele-commu-nication equip-ments**	**Electric installa-tion**	**Office equip-ment**	**Furni-ture and fixtures**	**Total**	**Comput-er Soft-wares (others)**	**Total**
Gross carrying value as of 1 April 2018	**1,574**	**9,354**	**6,451**	**1,188**	**1,397**	**2,647**	**1,334**	**23,945**	**4,347**	**4,347**
Additions	**-**	**68**	**583**	**651**	**-**	**101**	**1**	**1,404**	**480**	**480**
Deletions	**-**	**-**	**307**	**33**	**112**	**54**	**88**	**594**	**-**	**-**
Gross carrying value as of 31 March 2019	**1,574**	**9,422**	**6,727**	**1,806**	**1,285**	**2,694**	**1,247**	**24,755**	**4,827**	**4,827**
Accumulated depreciation as of 1 April 2018	**-**	**3,987**	**4,432**	**873**	**490**	**681**	**388**	**10,851**	**3,791**	**3,791**
Depreciation	**-**	**87**	**530**	**135**	**90**	**424**	**100**	**1,366**	**623**	**623**
Accumulated depreciation on deletion	**-**	**-**	**292**	**32**	**106**	**48**	**84**	**562**	**-**	**-**
Accumulated depreciation as of 31 March 2019	**-**	**4,074**	**4,670**	**976**	**474**	**1,057**	**404**	**11,655**	**4,414**	**4,414**
Carrying value as of 31 March 2019	**1,574**	**5,348**	**2,057**	**830**	**811**	**1,637**	**843**	**13,100**	**413**	**413**

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

3. Assets held for sale

The Company has decided to sell its Data Centre at Bangalore, for this purpose Company has carried out valuation of Data centre and will offer that price to its current partner in Data centre business. The particulars of the assets held for sale are as under:

Currency : (₹ in Lakhs)

Particulars	**WDV of assets as on 31.03.2020 (₹ in Lakhs)**
Land & Building	5,749
Furniture, fixture and office equipment's	2,491
Total	**8,240**

4. Non-current investments

Currency : (₹ in Lakhs)

		Rate of interest %	Year of maturity	No. of bonds/ debentures/share	Face value	**As at 31 March, 2020 (₹ in Lakhs)**	As at 31 March, 2019 (₹ in Lakhs)
Quoted debt securities investments at amortised cost :							
Investment in tax free bonds							
1	Power Finance Corporation Limited	8.20	2022	100,000	1,000	1,084	1,084
2	Indian Railway Finance Corporation Limited	8.10	2027	50,000	1,000	534	534
3	National Highway Authority of India Limited	8.30	2027	200,000	1,000	2,182	2,182
4	Indian Railway Finance Corporation Limited	7.34	2028	250,000	1,000	2,574	2,574
5	National Highway Authority of India Limited	8.50	2029	80,000	1,000	800	800
6	National Housing Bank	8.63	2029	7,220	5,000	361	361
7	Rural Electrification Corporation	8.63	2029	50,000	1,000	500	500
8	National Housing Bank	8.68	2029	40,000	5,000	2,053	2,053
9	National Thermal Power Corporation Limited	7.37	2035	6,246	1,000	62	62
10	Rural Electrification Corporation	7.21	2022	130	1,000,000	1,329	1,329
11	National Thermal Power Corporation Limited	7.15	2025	90	1,000,000	912	912
12	National Housing Bank	8.46	2028	40	1,000,000	443	443
13	Power Finance Corporation Limited	8.46	2028	150	1,000,000	1,672	1,672
14	Rural Electrification Corporation	8.46	2028	250	1,000,000	2,894	2,894
15	National Bank for Agriculture and Rural Development	7.35	2031	150,000	1,000	1,578	1,578
16	National Hydroelectric Power Corporation Limited	8.67	2033	50,000	1,000	634	634
17	National Bank for Agriculture and Rural Development	7.35	2031	100,000	1,000	1,117	1,117
18	Indian Renewable Energy Development Agency Limited	7.17	2025	270	1,000,000	2,877	2,877
19	National Highway Authority of India Limited	7.35	2031	100,000	1,000	1,125	1,125
20	National Highway Authority of India Limited	7.39	2031	50,000	1,000	556	556
21	Indian Railway Finance Corporation Limited	7.35	2031	150,000	1,000	1,663	1,663
22	National Bank for Agriculture and Rural Development	7.35	2031	200,000	1,000	2,221	2,221
23	National Housing Bank	8.76	2034	20,000	5,000	1,241	1,241
24	National Housing Bank	8.68	2029	10,000	5,000	591	591
25	Power Finance Corporation Limited	7.21	2022	150	1,000,000	1,538	1,538
26	Power Finance Corporation Limited	9.10	2029	50	1,000,000	512	-
27	National Hydroelectric Power Corporation Limited	8.18	2023	50,000	1,000	538	-
28	National Thermal Power Corporation Limited	7.32	2029	150	150,000	1,476	-
29	National Thermal Power Corporation Limited	7.32	2029	250	250,000	2,489	-
30	Power Grid Corporation of India Limited	8.40	2029	100	1,000,000	1,059	-

Currency : (₹ in Lakhs)

		Rate of interest %	Year of maturity	No. of bonds/ debentures/share	Face value	**As at 31 March, 2020 (₹ in Lakhs)**	As at 31 March, 2019 (₹ in Lakhs)
Investment in non convertible debentures							
31	Housing Development and Finance Corporation Limited	8.79	2020	2	1,000,000	-	20
32	Power Finance Corporation Limited	9.36	2021	2	1,000,000	20	20
33	Housing Development and Finance Corporation Limited	9.40	2021	4	1,000,000	40	40
34	EXIM Bank Limited	9.25	2022	2	1,000,000	20	20
35	Rural Electrification Corporation	9.35	2022	4	1,000,000	40	40
36	Infrastructure Leasing & Finance Services Limited	9.55	2023	550	1,000	6	6
37	HDB Financial Services Limited	9.60	2023	2	1,000,000	20	20
38	HDB Financial Services Limited	10.19	2024	1	1,000,000	10	10
39	IDFC Bank Limited	8.80	2025	10	1,000,000	100	100
40	Indian Railway Finance Corporation Limited	9.09	2026	2	1,000,000	20	20
41	State Bank of India	9.95	2026	296	10,000	31	31
42	Power Finance Corporation Limited	8.94	2028	4	1,000,000	41	41
43	Indian Railway Finance Corporation Limited	8.79	2030	1	1,000,000	10	10
44	India Infrastructure Finance Company Limited	9.41	2037	5	1,000,000	56	56
						39,028	**32,975**
	Less : Amortisation of premium					531	359
	Less : Provision for impairment of assets					6	6
						38,491	**32,610**

5. Other financial assets

(Unsecured considered good)

Particulars	Non-current		Current	
	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)	**31.03.2020 (₹ in Lakhs)**	31.03.2019 (₹ in Lakhs)
Others				
Security deposit	**1,260**	1,248	**-**	2
Interest accrued on investments	**-**	-	**1,243**	923
Less: Provision for impairment of assets	**-**		**-**	(1)
Interest accrued on bank deposits	**13**	6	**46**	81
Restricted deposits with banks against performance guarantee	**785**	966	**-**	-
Unbilled revenue	**140**	304	**877**	816
Deferred expenses	**131**	410	**326**	248
Total	2,329	2,934	**2,492**	2,069

6. Income taxes

(A) The major components of income tax expense for the years ended 31st March 2020 and 31st March 2019 are:

Profit or loss section

Currency : (₹ in Lakhs)

Particulars	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Current taxes	**3,761**	5,737
Deferred taxes	**(165)**	(3)
Income tax expense reported in the statement of profit or loss	**3,596**	5,734

OCI section

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

Particulars	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Re-measurement of the defined benefit liability / asset	**(379)**	(5)
Income tax expense reported in the statement of profit or loss	**(379)**	(5)

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

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Profit before income taxes	**15,714**	18,164
Enacted tax rates in India	**25.170%**	34.944%
Computed expected tax expenses	**3,955**	6,347
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	**(643)**	(780)
Donation	**23**	56
Disallowance u/s 14A	**90**	113
Provision for employees long term incentive plan	**102**	6
Others	**69**	12
Total income tax expense	**3,596**	5,754

The movement in the current income tax asset/ (liability) for the year ended March 31, 2020 and year ended March 31, 2019 as follows:

Currency : (₹ in Lakhs)

Particulars	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Net current income tax asset/ (liability) at the beginning	**1,324**	1,150
Income tax paid	**5,007**	5,911
Current income tax expense	**(3,761)**	(5,737)
Income tax on other comprehensive income		
Net current income tax asset/ (liability) at the end	**2,570**	1,324

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

Particulars	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Deferred income tax assets		
Provision for compensated absences	**322**	375
Provision for doubtful debts	**268**	42
Others	**(43)**	102
Total deferred income tax assets	**547**	519
Deferred income tax liabilities		
Difference between tax balance and book balance of fixed assets	**268**	322
Adjustment on initial application of IndAS 115	**-**	46
Amortisation of Revenue	**13**	68
Other	**18**	-
Total deferred income tax liabilities	**299**	436
Deferred income tax Assets after (net)	**248**	83

The gross movement in the deferred income tax account for the year ended March 31, 2020 and year ended March 31, 2019, is as follows:

Currency : (₹ in Lakhs)

Particulars	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Net deferred income tax assets at the beginning	**83**	126
Add :		
Provision for compensated absences	**(53)**	-
Provision for gratuity expenses	**-**	35
Provision for doubtful debts	**226**	-
Amortisation of assets	**-**	(29)
Other	**(163)**	16
Less :		
Difference between tax balance and book balance of fixed assets	**(54)**	96
Adjustment on initial application of IndAS 115	**(46)**	46
Amortisation of Revenue	**(55)**	(77)
Net deferred income tax assets at the end	**248**	83

7. Other assets

Currency : (₹ in Lakhs)

		Non-current		Current	
		31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
(A)	**Capital advances**	**14**	172	**-**	-
(B)	**Other advances**				
	Prepaid expenses	**42**	283	**782**	1,104
	Loans to employees	**2**	2	**-**	3
	GST credit receivable	**-**	-	**1,807**	1,092
	Advance to suppliers	**-**	-	**1,851**	369
	Others	**-**	-	**31**	21
		58	457	**4,471**	2,589

8. Current investments

Currency : (₹ in Lakhs)

		As at 31st March, 2020					As at 31st March, 2019		
		Year of maturity	Rate of interest	**No. of Units**	**Face Value**	**(₹ in Lakhs)**	No. of Units	Face Value	(₹ in Lakhs)
Non convertible debentures									
1	Rural Electrification Corporation	2019	8.72	2	1,000,000	-	2	1,000,000	19
2	TATA Capital Financial Services Limited	2019	9.95	2	1,000,000	-	2	1,000,000	10
3	Rural Electrification Corporation	2020	8.65	2	1,000,000	-	2	1,000,000	19
4	Housing Development and Finance Corporation Limited	2020	8.79	2	1,000,000	20	-	-	-
Liquid Mutual funds									
1	Units of Axis Treasury Advantage Fund - Institutional Daily Dividend Reinvestment			-	-	-	56,055	1,007	565
2	Units of Axis Liquid Fund - Institutional Daily Dividend Reinvestment			52,576	1,001	526	50,474	1,001	505
3	Units of Principal Cash Management Fund- Dividend Reinvestment Daily			-	-	-	53,279	952	507
4	Units of UTI Liquid Cash Plan Fund - Institutional Plan (Daily Dividend Option)			51,592	1,019	526	49,553	1,019	505
5	Aditya Birla Sun Life Liquid Fund-Daily Dividend - Direct Plan			-	-	-	500,355	100	502
6	LIC MF Liquid Fund- Daily Dividend Reinvestment			47,935	1,098	526	46,009	1,098	505
7	ICICI Prudential Liquid Plan- Daily Dividend Reinvestment			521,726	100	522	500,815	100	502
8	IDFC Cash Fund- Daily Dividend Reinvestment						50,048	1,002	502
9	Canara Robeco Liquid Fund- Direct Daily Dividend Reinvestment						49,872	1,006	501
	Total					**2,120**			**4,642**

9. Trade receivables

Currency : (₹ in Lakhs)

	Current	
	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Unsecured, considered good unless stated otherwise		
Unsecured, considered good	**21,071**	18,188
Credit Impaired	**119**	-
Doubtful	**1,063**	119
	22,253	18,307
Less : Provision for doubtful debts	**(1,182)**	(119)
	21,071	18,188
Total	**21,071**	**18,188**

10. Cash and cash equivalents

Currency : (₹ in Lakhs)

	Current	
	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Cash and cash equivalents		
Balances with banks in current accounts	**4,103**	3,938
Cash on hand	**1**	1
	4,104	3,939

11. Other bank balances

	Current	
	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Bank Deposits with original maturity for more than 3 months but less than 12 months	**907**	1,610
Total	**907**	1,610

12. Equity share capital

Currency : (₹ in Lakhs)

	Non-current	
	31.03.20 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Authorised		
50,00,00,000 (Previous Year 50,00,00,000) equity shares of Rs 10 each.	**50,000**	50,000
Issued, Subscribed and Paid-up		
4,00,07,981 (Previous year 4,00,05,300) equity shares of Rs.10 each fully paid up.		
	4,001	4,001
Total	**4,001**	4,001

a) Reconciliation of number of shares

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	**Amount (₹ in Lakhs)**	Number of shares	Amount (₹ in Lakhs)
Equity shares				
Opening balance	**40,005,300**	**4,001**	40,000,000	4,000
Changed during the year	**2,681**	**0**	5,300	1
Closing balance	**40,007,981**	**4,001**	40,005,300	4,001

b) Rights, preferences and restrictions attached to shares

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

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

	As at 31.03.2020		As at 31.03.2019	
	Numbers of Shares Held	**% of Holding**	Numbers of Shares Held	% of Holding
NSE Investments Limited	**10,018,000**	**25.04**	10,018,000	25.05
IIFL Special Opportunities Fund	**2,894,507**	**7.24**	2,894,507	7.24
Administrator of Specified Undertaking of Unit Trust of India	**2,732,000**	**6.83**	2,732,000	6.83
IIFL Special Opportunities Fund – Series 4	**2,499,178**	**6.25**	2,499,178	6.25
IIFL Special Opportunities Fund – Series 2	**2,016,366**	**5.04**	2,016,366	5.04

d) 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

Currency : (₹ in Lakhs)

		31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
a)	**Capital redemption reserve**		
	(i) Opening balance	**2,500**	2,500
	(ii) Transfer from retained earnings	**-**	-
		2,500	2,500
b)	**General reserve**		
	(i) Opening balance	**39,843**	29,843
	(ii) Transfer from retained earnings	**-**	10,000
		39,843	39,843
c)	**Retained earnings**		
	(i) Opening balance	**20,415**	21,033
	(ii) Adjustment on initial application of IndAS 115, net of tax	**-**	86
	(iii) Transfer to general reserve	**-**	(10,000)
	(iv) Dividend (including tax on dividend)	**(3,135)**	(3,134)
	(v) Profit for the year	**12,118**	12,430
		29,398	20,415
d)	**Non controlling interest of minority shareholders in subsidiary**		
	(i) Opening balance	**(11)**	(4)
	(ii) Non controlling interest of minority shareholders in subsidiary	**(7)**	(7)
		(18)	(11)
e)	**Other comprehensive income**		
	(i) Opening balance	**(504)**	(490)
	(ii) Re-measurement of the defined benefit net liability / asset (net of tax)	**(379)**	(14)
		(883)	(504)
f)	**ESOP reserve**		
	(i) Opening balance	**347**	97
	(ii) Share based payments to employees	**121**	250
		468	347
g)	**Securities premium**		
	(i) Opening balance	**16**	-
	(ii) Share based payments to employees	**8**	16
		24	16
		71,332	62,606

14. Trade payables

Currency : (₹ in Lakhs)

		Current	
		31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Trade payables			
	Dues of micro enterprises and small enterprises	606	508
	Dues of creditors other than micro enterprises and small enterprises	8,265	8,486
		8,871	8,994

15. Other financial liabilities

Currency : (₹ in Lakhs)

	Non-current		Current	
	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Liability for expenses	-	-	-	3
Creditors for capital expenditure	-	-	351	130
Directors' commission payable	-	-	122	112
Other liabilities	-	-	155	316
Deferred expenses	164	328	407	198
Total	164	328	1,035	759

16. Provision

Currency : (₹ in Lakhs)

	Non-current		Current	
	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Provision for leave travel allowance	-	-	42	48
Provision for employee Incentives	-	171	1,126	940
Gratuity payable	-	-	672	280
Provision for leave encashment	216	241	1,063	831
Total	216	412	2,903	2,099

17. Other current liabilities

Currency : (₹ in Lakhs)

	Current	
	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Advances from customers	**995**	853
Goods and service tax payable	**801**	1,041
TDS payable	**250**	408
Other statutory liabilities	**54**	42
Income received in advance	**1,969**	2,917
Total	**4,069**	5,261

18. Revenue from operations

Currency : (₹ in Lakhs)

	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Revenue disaggregation by nature of services is as follows:		
Sale of services :		
Transaction fees	**56,963**	63,054
Accounts maintenance fees	**14,175**	11,740
Other operational income	**475**	731
Other operating revenues		
Recovery against bad debts	**-**	100
Total	**71,613**	75,625

Revenue disaggregation by industry vertical.

Information about major customers:

No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2020 and March 31, 2019. While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc.).

The table below discloses the movement in contract liabilities during the year ended March 31 2020

Balance at the beginning of the year	2,917
Add: Invoices Raised for which no revenue is recognised during the year	1,969
Less: Revenue recognised that was included in the contract liabilities at the beginning of the year	2,917
Balance at the end of the year	1,969

Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

Currency : (₹ in Lakhs)

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price	**31 March 2020 (₹ in Lakhs)**	**31 March 2019 (₹ in Lakhs)**
Particulars		
Revenue from contracts with customers (as per Statement of Profit and Loss)	71,613	75,625
Add: Discounts, rebates, refunds, credits, price concessions	-	-
Less / Add: Deferred and unbilled revenue adjustments	1,017	1,120
Add: Allocation of transaction price from bundled contracts	-	-
Contracted price with the customers	**70,596**	**74,505**

Practical expedients used

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

19. Other income

Currency : (₹ in Lakhs)

	31.03.2020 (₹ in Lakhs)	31.03.19 (₹ in Lakhs)
On investment	**2,695**	2,307
On overdue trade receivables	**677**	358
On Security deposits	**75**	-
On others	**-**	86
Dividend income	**163**	116
Support charges	**66**	80
Rent income	**171**	513
Miscellaneous income	**2**	20
Total	**3,849**	3,480

20. Employee benefits expenses

Currency : (₹ in Lakhs)

	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Salaries, wages and bonus	**5,762**	5,361
Share based payments to employees	**121**	250
Contribution to provident and other fund	**699**	643
Staff welfare expenses	**281**	264
Total	**6,863**	6,518

21. Other expenses

Currency : (₹ in Lakhs)

	31.03.2020 (₹ in Lakhs)	31.03.2019 (₹ in Lakhs)
Rent	**114**	1,590
Communication expenses	**793**	800
Travelling and conveyance expenses	**651**	659
Annual fees	**933**	743
Processing charges	**38,457**	41,072
Repairs and maintenance		
- To buildings	**294**	327
- To computers, trading and telecommunication systems	**5,545**	5,084
- To others	**85**	114
Insurance	**148**	153
Rates and taxes	**99**	122
Advertisement and publicity	**110**	135
Legal and Professional fees	**434**	342
Printing and stationery expenses	**19**	29
Payment to auditor (refer note below)	**31**	38
Electricity charges / power fuel	**372**	437
Directors' sitting fees	**30**	37
Directors' commission	**121**	124
Provision for doubtful debts	**1,063**	-
Excess provision written back	**-**	1
Loss on sale /discard of assets (net)	**1**	12
Loss on sale of investment	**-**	5
Expenditure incurred on CSR activities (refer note 33)	**181**	322
Other Expenses	**496**	270
Total	**49,977**	52,416
Note :		
Payment to auditor		
As auditor :		
Audit fees	**27**	24
Tax audit fee	**2**	4
In other capacity		
Certification matters	**6**	10
Limited review Certification	**5**	-
Total	**40**	38

22. Earnings Per Share

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

Currency : (₹ in Lakhs)

		Year ended 31.03.2020	Year ended 31.03.2019
Net profit attributable to shareholders			
(a)	Profit before exceptional item and tax	15,714	18,164
	Tax on above	3,596	5,734
	Profit after tax and before exceptional item (A)	**12,118**	12,430
	Other comprehensive income (B)	(379)	(14)
Total Comprehensive Income (A+B)		11,739	12,416
Weighted Average number of equity shares issued (No. in lakhs)		**400**	**400**
Basic earnings per share of ₹ 10/- each (in ₹)		**30.29**	**31.08**
Weighted Average number of equity shares issued (No. in lakhs)		**404**	**401**
Diluted earnings per share of ₹ 10/- each (in ₹)		**30.01**	**30.99**

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

i) Defined contribution plan:

(a) Company's contribution towards superannuation amounting to ₹ 161 Lakhs (Previous Year : ₹ 154 lakhs).

(b) Provident fund: Eligible employees of the Company receive benefit under the provident fund which is a defined contribution plan where in both the employee and the Company make monthly contributions equal to a specified percentage of the covered employees' salary. These contributions are made to the fund administered and managed by the Government of India. The Company's monthly contributions are charged to the statement of profit and loss in the period they are incurred. The total charge for the year amounts to ₹ 234 Lakhs (31 March 2019 - ₹ 215 Lakhs).

ii) Defined benefit plan :

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

(i) Assumptions:

Currency : (₹ in Lakhs)

	Year ended 31.03.2020	Year ended 31.03.2019
Weighted Average Duration of the Projected Benefit Obligation	**9**	9
Discount rate	**6.83%**	7.76%
Rate of return on plan assets	**6.83%**	7.76%
Salary escalation	**8.00%**	8.00%
Attrition rate	**5.00%**	5.00%

(ii) Sensitivity analysis

Currency : (₹ in Lakhs)

	Year ended 31.03.2020	Year ended 31.03.2019
Projected benefit obligation on current assumptions	**4,410**	3,580
Delta effect of +1% change in rate of discounting	**(323)**	(260)
Delta effect of -1% change in rate of discounting	**378**	303
Delta effect of +1% change in rate of salary increase	**370**	299
Delta effect of -1% change in rate of salary increase	**(323)**	(261)
Delta effect of +1% change in rate of employee turnover	**33**	(9)
Delta effect of -1% change in rate of employee turnover	**37**	10

(iii) Table showing change in benefit obligation:

Currency : (₹ in Lakhs)

	Year ended 31.03.2020	Year ended 31.03.2019
Liability at the beginning of the year	**3,568**	3,070
Interest cost	**278**	238
Current service cost	**268**	244
Benefits paid	**(79)**	(26)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions		
Actuarial (gains)/losses on obligations - due to change in financial assumptions	**290**	(8)
Actuarial (gains)/losses on obligations - due to experience	**74**	50
Liability at the end of the period/year	**4,398**	3,568

(iv) Table showing fair value of plan assets

Currency : (₹ in Lakhs)

	Year ended 31.03.2020	Year ended 31.03.2019
Fair value of plan assets at the beginning of the year	**3,287**	2,737
Interest income	**255**	212
Contributions	**278**	337
Benefits paid	**(79)**	(26)
Actuarial gain / (loss) on plan assets	**(15)**	27
Fair value of plan assets at the end of the period/year	**3,726**	3,287

(v) Amount recognised in the Balance Sheet

Currency : (₹ in Lakhs)

	Year ended 31.03.2020	Year ended 31.03.2019
Fair value of plan assets as at the end of the period/year	**3,726**	3,287
Liability as at the end of the year	**4,398**	3,567
Net (liability) / asset disclosed in the Balance Sheet	**(672)**	(280)

(vi) Net interest cost for current period/year

Currency : (₹ in Lakhs)

	Year ended 31.03.2020	Year ended 31.03.2019
Interest cost	**278**	238
Interest income	**(255)**	(212)
Net interest cost for current period/year	**23**	26

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

Currency : (₹ in Lakhs)

	Year ended 31.03.2020	Year ended 31.03.2019
Current service cost	**268**	244
Net interest cost	**23**	26
Expenses recognised in the Statement of Profit & Loss	**291**	270

(viii) Expenses recognised in the other comprehensive income

Currency : (₹ in Lakhs)

	Year ended 31.03.2020	Year ended 31.03.2019
Expected return on plan assets	**15**	(27)
Actuarial (gain) or loss	**364**	41
Net (income)/expense for the period/year recognized in OCI	**379**	14

(ix) Balance sheet reconciliation

Currency : (₹ in Lakhs)

	Year ended 31.03.2020	Year ended 31.03.2019
Opening net liability	**280**	333
Expenses recognized in statement of profit or loss	**291**	270
Expenses recognized in OCI	**379**	14
Employers contribution	**(278)**	(337)
Amount recognised in the balance sheet	**672**	280

(x) Category of assets

Currency : (₹ in Lakhs)

	Year ended 31.03.2020	Year ended 31.03.2019
LIC of India - Insurer managed funds	**3,726**	3,283
Total	**3,726**	3,283

(xi) Expected contribution for next year

Currency : (₹ in Lakhs)

	Year ended 31.03.2020	Year ended 31.03.2019
Expected contribution for next year	**350**	293
Total	**350**	293

24 Financial instruments

24.1 Financial instruments by category

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

Currency : (₹ in Lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated Upon Initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (refer note 10)	3,939	-	-	-	-	3,939	3,939
Tax free bonds (refer note 4)	32,185	-	-	-	-	32,185	32,185
Liquid mutual fund units (refer note 8)	-	-	4,594	-	-	4,594	4,594
Non convertible debentures (refer note 4 & 8)	482	-	-	-	-	482	482
Trade receivables (refer note 9)	18,188	-	-	-	-	18,188	18,188
Other financial assets (refer note 5)	6,613	-	-	-	-	6,613	6,613
Total	61,407	-	4,594	-	-	66,001	66,001
Liabilities:							
Trade payables (refer note 14)	8,994	-	-	-	-	8,994	8,994
Other financial liabilities (refer note 15)	1,087	-	-	-	-	1,087	1,087
Total	10,081	-	-	-	-	10,081	10,081

The carrying value and fair value of financial instruments by categories as of March 31, 2020 were as follows:

Currency : (₹ in Lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated Upon Initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (refer note 10)	4,104	-	-	-	-	4,104	4,104
Tax free bonds (refer note 4)	38,077	-	-	-	-	38,077	38,077
Liquid mutual fund units (refer note 8)	-	-	2,120	-	-	2,120	2,120
Non convertible debentures (refer note 4 & 8)	434	-	-	-	-	434	434
Trade receivables (refer note 9)	21,071	-	-	-	-	21,071	21,071
Other financial assets (refer note 5)	4,821	-	-	-	-	4,821	4,821
Total	68,507	-	2,120	-	-	70,627	70,627
Liabilities:							
Trade payables (refer note 14)	8,871	-	-	-	-	8,871	8,871
Other financial liabilities (refer note 15)	1,199	-	-	-	-	1,199	1,199
Total	10,070	-	-	-	-	10,070	10,070

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

Currency : (₹ in Lakhs)

Particulars	As of March 31, 2019	Fair value measurement at end of the reporting year		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (refer note 8)		4,594	-	-
Investments in tax free and Government bonds (refer note 4 and 8)		-	32,185	-
Investments in non convertible debentures (refer note 8)		482		-

Particulars	As of March 31, 2020	Fair value measurement at end of the reporting year		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (refer note 8)		2,120	-	-
Investments in tax free and Government bonds (refer note 4 and 8)		-	38,077	-
Investments in non convertible debentures (refer note 8)		434		-

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

24.3 Financial risk management

Financial risk factors

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

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹18,188 lakhs and ₹ 19,975 lakhs as of 31 March 2019 and 31 March 2020, respectively. Trade receivables is typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Credit risk has always been managed by the Company by continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business

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

Currency : (₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Revenue from top customer	5	4
Revenue from top five customers	13	9

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 2019 was ₹ 119 lakhs.

Particulars	March 31, 2020	March 31, 2019
Balance at the beginning	119	119
Amounts written off	-	-
Net remeasurment of loss allowance	1,063	
Balance at the end	1,182	119

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

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.

ECL:

The Group 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 Group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Group expects the historical trend of minimal credit losses to continue.

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 :

Particulars	March 31, 2020	March 31, 2019
Current assets	35,165	33,037
Current liability	8,007	8,651
Working capital	27,158	24,386
Cash and cash equivalents	5,011	5,549
Investments	2,120	4,642

As of 31 March 2019 and 31 March 2020, the outstanding employee benefit obligations were Rs. 280 lakhs and Rs. 672 lakhs (refer note no 14) respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables (refer note 14)	8,871	-	-	-	8,871
Other financial liabilities (refer note 15)	1,199	-	-	-	1,199

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

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables (refer note 14)	8,994	-	-	-	8,994
Other financial liabilities (refer note 15)	1,087	-	-	-	1,087

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

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:

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

Related party
a. Company 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 & CEO
Mr. Jayesh Sule - WTD & COO
Mr. Tejas Desai - CFO
Mr.Maulesh Kantharia - Company Secretary
c. Foreign subsidiary
NSDL e-Governance(Malaysia) SDN BHD

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

Nature of transactions	For the year ended	KMP of the Company and KMP of parent Company	Foreign subsidiary	Company having substantial interest
Dividend paid	March 31, 2020	-	-	1,431
	March 31, 2019	-	-	1,431
Remuneration paid	March 31, 2020	866	-	-
	March 31, 2019	829	-	-

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

27. Minority interest

Percentage of holding	%
NSDL e-Governance Infrastructure Limited	51
Minority	49
Total	100

Share capital of NSDL e-GOVERNANCE (MALAYSIA) SDN BHD	Nos.	Value in MYR
NSDL E-Governance Infrastructure Limited	51	510
Minority	49	490
Total	100	1,000

Breakup of reserves & surplus

Reserve and surplus calculation

Currency : (₹ in Lakhs)

	NSDL e-Governance Infrastructure Limited	Minority
Opening	(3.89)	(3.74)
Adjustment on account of capital reduction		
Profit / (loss) during the year	(7.37)	(7.09)
Total reserves and surplus	(11.27)	(10.83)

28. CHANGE DUE TO TRANSITION TO IND AS - 116 “LEASES”

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2020:

Particulars	As at 31 March 2020 (₹ in Lakhs)
Balance as of 1 April 2019	-
Reclassified on account of adoption of Ind AS 116	2,274
Additions	-
Deletions	-
Depreciation	813
Balance as of 31 Mar 2020	**1,461**

The aggregate depreciation expense on ROU assets is included under 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 2020.

Particulars	As at 31 March 2020 (₹ in Lakhs)
Current lease liabilities	722
Non-current lease liabilities	668
Total	1,390

The following is the movement in lease liabilities during the year ended 31 March 2020

Particulars	As at 31 March 2020 (₹ in Lakhs)
Balance as of 1 April 2019	-
Reclassified on account of adoption of Ind AS 116	2,032
Additions	
Finance cost accrued during the period	162
Deletions	
Payment of lease liabilities	804
Balance as of 31 Mar 2020	**1,390**

Interest on lease liabilities is ₹ 162 lakhs for the year ended on 31 March 2020

The table below provides details regarding the contractual maturities of lease liability as at 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March 2020 (₹ in Lakhs)
Less than one year	822
One to five years	712
More than five years	-
Total	**1,534**

Rental expense recorded for short-term leases was ₹ 171 lakhs for the year ended 31 March 2020

Rental expense recorded for leases of low -value assets was Nil lakhs for the year ended 31 March 2020

"The total cash outflow for leases is ₹ 804 lakhs for the year ended 31 March 2020, including cash outflow of short-term leases and leases of low-value assets."

29 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 299 lakhs (previous year ₹1896 lakhs)

30 Contingent liability:

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

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

(iii) Supreme Court ruling on contibution to provident fund: There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any."

MVAT payable to seller on purchase of Times Tower premises

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

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

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

Particulars		31 March 2020	31 March 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year			
	Principal	**606**	**508**
	Interest		
Amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year		**-**	**-**
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006		-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year		-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006		-	-

32 Employee Stock Option Plan

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

Grant date	Exercise Price	Options granted	Options vested and Exercisable	Options unvested	Options exercised	Options cancelled	Rounding off difference	Options outstanding
December 4, 2017	310.00	396,192	209,392	171,102	7,981	7,717	2	380,492
Total		396,192	209,392	171,102	7,981	7,717	2	380,492

Movement of stock options during the year

Particulars	For the year ended 31 March 2020				For the year ended 31 March 2019			
	No. of options	Range of exercise prices Rs.	Weighted average exercise price Rs.	Weighted average remaining contractual life (Years)	No. of options	Range of exercise prices Rs.	Weighted average exercise price Rs.	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	385,857	310	-	4.03	396,192	310.00	-	6.03
Granted during the year	-	-	-	-	-	-	-	-
Adjusted for corporate action of bonus and split	-	-	-	-	-	-	-	-
Forfeited during the year	2,682	310	310	-	5,035.00	310.00	-	0
Expired during the year			-		-	-	-	-
Exercised during the year	2,681	310	310	-	5,300.00	310.00	-	0
Rounding off difference	2		-					
Outstanding at the end of the year	380,492	310	310.00	3.03	385,857	310.00	-	4.03
Exercisable at the end of the year	209,392	310	2.19		-	-	-	-

Significant assumptions used to estimate the fair value of options:

Variables	For the year ended 31 March 2020	For the year ended 31 March 2019
1. Risk Free Interest Rate	No Options Granted during the year 2019-20	6.77%
2. Expected Life		3.83
3. Expected Volatility		60.18%
4. Dividend Yield		2.10%
5. Price of the underlying share in market at the time of the option grant (Rs.)		310.00

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

a) Gross amount spent by the Company on Corporate Social Responsibility activities during the financial year 2019-20 is ₹181 lakhs (Previous year : ₹ 322 lakhs)

b) Amount spent during the year :

Particulars	Amount paid	Paid in subsequent period	Yet to be paid	Total
Construction / acquisition of any asset	-	-		-
On above purpose	181	190	98.03	469

34 Capital management

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

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

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

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

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

36 The beginning of 2020 has witnessed the global spread of COVID-19, i.e. coronavirus. It is an evolving human tragedy declared a global pandemic by the World Health Organisation with 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 Company has done detailed assessment of its assets comprising of tangible and intangible assets, investments, receivables (including unbilled) and other current assets considering both internal and external information available till date. On the basis current assessment and estimates, the company does not see risk of recoverability of its current and non-current assets and accordingly no material adjustment is required in its financial statements. Given the uncertainties associated with nature, condition and duration of COVID -19, the impact assessment on the company'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."

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 : 22 June 2020

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

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary