Balance Sheet as at 31 March 2019

Currency : (₹ in Lakhs)

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

Balance Sheet as at 31 March 2019

Currency : (₹ in Lakhs)

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

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

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

Sd/-
N Sampath Ganesh
Partner
Membership No: 042554

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

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

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

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

Currency : (₹ in Lakhs)

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

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Chief Financial Officer

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

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

Sd/-
Maulesh Kantharia
Company Secretary

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

Currency : (₹ in Lakhs)

A. Equity share capital

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

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

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

B. Other equity

Currency : (₹ in Lakhs)

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

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

Currency : (₹ in Lakhs)

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

Note: # Purpose of Reserve stated as follows:

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

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

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

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

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Sd/-
Tejas Desai
Chief Financial Officer

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

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

Sd/-
Maulesh Kantharia
Company Secretary

Statement of Cash Flows for the year ended 31 March 2019

Currency : (₹ in Lakhs)

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

Statement of Cash Flows for the year ended 31 March 2019

Currency : (₹ in Lakhs)

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

Notes to Cash Flow Statement:

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

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

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

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Sd/-
Tejas Desai
Chief Financial Officer

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

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

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

1.1 Summary of significant accounting policies :

a) Statement of compliance

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

b) Basis of preparation of Financial Statements

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

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

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

c) Use of estimates

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

Defined benefit

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

Property, plant and equipment

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

Income taxes

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

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

Fair value measurement of financial instruments

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

Trade receivables

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

d) Leases

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

e) Revenue Recognition

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

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 1.1(d) – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

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

To recognise revenues, the Company applies the following five step approach;

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

Performance obligations

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

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

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

Determination of transaction price

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

Allocation of transaction price

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

Contract balances

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

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

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

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

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

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

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

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

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

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

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

Use of significant judgements in revenue recognition

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

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

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

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

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

Interest income

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

Dividend income

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

f) Property, plant and equipment

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

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

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

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

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

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

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

g) Depreciation

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

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

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

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

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

Computer Software is amortized over a period of 2 years.

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

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

h) Intangible assets

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.
Research cost are expensed as incurred.

Development costs

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

- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability and intention to use the asset
- How the asset will generate future economic benefits
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

i) Impairment of tangible and intangible assets excluding goodwill

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

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

j) Foreign currency transactions and translation

Transactions and translations

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

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

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

k) Employee benefit costs

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

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

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

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

Defined benefit Plans

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

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

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

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

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

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

l) Income Tax

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

Current tax

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

Deferred tax

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

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

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

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

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

m) Provisions, Contingent liabilities and Contingent assets

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

n) Cash Flow statement.

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

o) Cash and Bank balances

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

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

p) Earnings per share

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

q) Financial instruments

Initial recognition

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

Subsequent measurement

Financial assets

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

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

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

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

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

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

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

Loans and receivables

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

Impairment of financial assets

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

Derecognition of financial assets

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

Loans and receivables

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

Subsequent measurement

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Investment in subsidiaries

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

Financial liabilities and equity instruments

Equity instruments

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

Financial liabilities

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

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

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

Derecognition of financial liabilities

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

Non-current Assets Held for Sale and Discontinued Operations

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

Offsetting arrangements

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

r) Dividends

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

1.2 Recent Indian Accounting Standards (Ind AS)

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

Ind AS – 116

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

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

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

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

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

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

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

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

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

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

Ind AS 109 – Prepayment Features with Negative Compensation

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

Ind AS 19 – Plan Amendment, Curtailment or Settlement

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

Ind AS 23 – Borrowing Costs

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

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

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

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

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

2 Property, plant, equipments and intangible assets

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

Currency : (₹ in Lakhs)

Particulars	Property, plant and equipments								Other intangible assets	
	Land free-hold	Build-ing	Com-puters	Data and tele-com-muni-cation equip-ments	Elec-tric instal-lation	Office equip-ment	Fur-niture and fix-tures	Total	Com-puter soft-wares (oth-ers)	Total
Gross carrying value as of 1 April 2018	**1,574**	**9,354**	**6,451**	**1,188**	**1,395**	**2,645**	**1,318**	**23,925**	**4,347**	**4,347**
Additions	-	68	583	651	-	101	1	**1,404**	480	**480**
Deletions	-	-	307	33	112	54	88	**594**	-	**-**
Gross carrying value as of 31 March 2019	**1,574**	**9,422**	**6,727**	**1,806**	**1,283**	**2,692**	**1,231**	**24,735**	**4,827**	**4,827**
Accumulated depreciation as of 1 April 2018	**-**	**3,987**	**4,431**	**873**	**490**	**681**	**388**	**10,850**	**3,791**	**3,791**
Depreciation	-	87	530	135	90	424	98	**1,364**	623	**623**
Accumulated depreciation on deletion	-	-	292	32	106	48	84	**562**	-	**-**
Accumulated depreciation as of 31 March 2019	**-**	**4,074**	**4,669**	**976**	**474**	**1,057**	**402**	**11,652**	**4,414**	**4,414**
Carrying value as of 31 March 2019	**1,574**	**5,348**	**2,058**	**830**	**809**	**1,635**	**829**	**13,083**	**413**	**413**

2 Property, plant, equipments and intangible assets

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

Currency : (₹ in Lakhs)

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

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

3 Non-current investments

Currency : (₹ in Lakhs)

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

3 Non-current investments

Currency : (₹ in Lakhs)

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

4. Other financial assets
(Unsecured considered good)

Currency : (₹ in Lakhs)

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

5 Income taxes

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

Profit or loss section

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

OCI section

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

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

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

Currency : (₹ in Lakhs)

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

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

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

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

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

Currency : (₹ in Lakhs)

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

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

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

6 Deferred tax assets (net)

Currency : (₹ in Lakhs)

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

7 Other assets

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

8. Current investments

Currency : (₹ in Lakhs)

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

9 Trade receivables

Currency : (₹ in Lakhs)

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

10 Cash and cash equivalents

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

11 Other bank balances

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

12 Equity share capital

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

a) Reconciliation of number of shares

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

b) Rights, preferences and restrictions attached to shares

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

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

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

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

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

13 Other equity

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

14 Provision

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

15 Other financial liabilities

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

16 Trade payables

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

17 Other current liabilities

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

18 Revenue from operations

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

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

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

Changes in contract assets are as follows:

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

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

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

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

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

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

Practical expedients used

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

19 Other income

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

20 Employee benefits expenses

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

21 Other expenses

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

22 Earnings Per Share

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

Currency : (₹ in Lakhs)

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

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

i) Defined contribution plan:

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

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

ii) Defined benefit plan:

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

(i) Assumptions:

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

(ii) Sensitivity analysis

Currency : (₹ in Lakhs)

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

(iii) Table showing change in benefit obligation:

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

(iv) Table showing fair value of plan assets:

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

(v) Amount recognised in the Balance Sheet

Currency : (₹ in Lakhs)

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

(vi) Net interest cost for current period/year

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

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

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

(viii) Expenses recognised in the other comprehensive income

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

(ix) Balance sheet reconciliation

Currency : (₹ in Lakhs)

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

(x) Category of assets

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

(xi) Expected contribution for next year

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

24 Financial instruments

24.1 Financial instruments by category

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

Currency : (₹ in Lakhs)

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

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

Currency : (₹ in Lakhs)

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

24.2 Fair value hierarchy

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

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

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

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

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

24.3 Financial risk management

Financial risk factors

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

Credit risk

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

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

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

Credit risk exposure

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

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

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

Liquidity risk

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

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

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

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

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

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

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

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

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

Currency : (₹ in Lakhs)

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

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

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

27 Related Party Transactions

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

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

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

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

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

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

Currency : (₹ in Lakhs)

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

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

28 Capital and other commitments

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

29 Contingent liability:

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

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

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

"The Hon' Supreme Court in the case of Regional Provident Fund Commissioner Vs. Vicekananda Viday Mandir and Ors [LSI-62-SC-2019(NDEL)] has rendered a decision dated February 28, 2019 with reference to The Employees Provident Fund and Miscellaneous Provisions Act, 1952 on a common question of law as to whether special allowance paid by an establishment to its employees would fall within the expression of 'basic wages' under section 2(b) (ii) read with section 6 of the act for the purpose of computation of deduction towards provident fund. The Supreme Court has held that in order to exclude the allowance from the ambit of basic wages, there must be evidence to show that the workman concerned has become eligible to get the extra amount beyond the normal work which he was otherwise required to put in. The test laid down by the Supreme Court will now have to be applied to each and every allowance to examine whether the allowance is excluded from the purview of wages or not. If the test for exclusion is met, then

the said allowance would not form part of wages for the purpose of contribution under the Act.
In view of the management, the liability for the period from date of the SC order to March 31, 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements."
accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements."

\# MVAT payable to seller on purchase of Times Tower premises

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

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

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

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

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

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

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

b) Amount spent during the year:

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

33 Employee stock option plan

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

Grant date	Exercise price	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
December 4, 2017	310.00	3,96,192	1,03, 387	2,82, 470	5,300	5,035	3,85,857
Total		**3,96,192**	**1,03, 387**	**2,82, 470**	**5,300**	**5,035**	**3,85,857**

Movement of stock options during the year

33 Employee stock option plan

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

Significant assumptions used to estimate the fair value of options:

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

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

Adjusted net income and earning per share

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

34 Capital management

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

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

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

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

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

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

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

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

37 Subsequent events

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

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

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

Sd/-
N Sampath Ganesh
Partner
Membership No: 042554

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

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

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

CONSOLIDATED FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

To the Members of
NSDL e-Governance Infrastructure Limited

Report on the Audit of Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and its subsidiary) to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

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

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2019;

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

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

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

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

N Sampath Ganesh
Partner
Membership No: 042554

Place: Chennai
Date: 5 June 2019

NSDL e-Governance Infrastructure Limited

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

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of NSDL e-governance Infrastructure Limited (hereinafter referred to as "the Holding Company").

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements is restricted to the Holding Company since the subsidiary of the Holding Company is a foreign subsidiary, which is not subject to the Report on the Internal Financial Controls.

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

N Sampath Ganesh
Partner
Membership No: 042554

Place: Chennai
Date: 5 June 2019

Consolidated Balance Sheet as at 31 March 2019

Currency : (₹ in Lakhs)

Particulars			Note	As at 31.03.2019	As at 31.03.2018
Assets					
1	**Non-current assets**				
	a	Property, plant and equipments	2	**13,100**	13,093
	b	Capital work-in-progress		**513**	579
	c	Other intangible assets	2	**413**	556
	d	Financial assets			
	i	Investments	3	**32,610**	24,877
	ii	Other financial assets	4	**2,934**	1,688
	e	Income tax assets (net)	5	**1,856**	1,740
	f	Deferred tax assets (net)	6	**83**	126
	g	Other non-current assets	7	**457**	382
		Total non current assets		**51,966**	43, 041
2	**Current assets**				
	a	Financial assets			
	i	Investments	8	**4,642**	3,817
	ii	Trade receivable	9	**18,188**	16,510
	iii	Cash and cash equivalents	10	**3,939**	4,644
	iv	Other bank balances (bank balances other than iii above)	11	**1,610**	561
	v	Other financial assets	4	**2,069**	3,108
	b	Other current assets	7	**2,589**	2,454
		Total current assets		**33,037**	31,094
		Total assets		**85,003**	74,135

Consolidated Balance Sheet as at 31 March 2019

Currency : (₹ in Lakhs)

Particulars			Note	As at 31.03.2019	As at 31.03.2018
		Equity and liabilities			
1	**Equity**				
	a	Equity share capital	12	**4,001**	4,000
	b	Other equity	13	**62,617**	52,979
		Equity attributable to shareholders of the company		**66,629**	56,983
		Non-controlling interest	13&28	**(11)**	(4)
		Total equity		**66,618**	56,979
2	**Liabilities**				
	1	**Non-current liabilities**			
	a	Provisions	14	**171**	155
	b	Other financial liabilities (Other than provisions in (b) below)	15	**328**	-
		Total non current liabilities		**499**	155
	2	**Current liabilities**			
	a	Financial liabilities			
	i	Other financial liabilities (Other than provisions in (b) below)	15	**759**	1,277
	ii	Trade payable			
		1. Dues of micro enterprises and small enterprises	30	**508**	508
		2. Dues of creditors other than micro enterprises and small enterprises	16	**8,486**	6,881
	b	Provisions	14	**2,340**	2,241
	c	Other current liabilities	17	**5,261**	5,504
	d	Income tax liabilities (net)	5	**532**	590
		Total current liabilities		**17,886**	17,001
		Total equity and liabilities		**85,003**	74,135
See accompanying notes to the consolidated financial statements			1 to 39		

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

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

Sd/-
N Sampath Ganesh
Partner
Membership No: 042554

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

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

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

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

Currency : (₹ in Lakhs)

	Note	For the year ended 31.03.2019	For the year ended 31.03.2018
Income			
Revenue from operations	18	**75,625**	89,758
Other income	19	**3,480**	2,714
Total Income		**79,105**	**92,472**
Expenses			
Employee benefits expense	20	**6,518**	6,084
Finance costs		**18**	39
Depreciation and amortisation expense	2	**1,989**	1,055
Other expenses	21	**52,416**	65,623
Total Expenses		**60,941**	72,801
Profit before tax		**18,164**	19,671
Less : Tax expenses			
Current tax	5	**5,737**	6,223
Deferred tax	5	**(3)**	(100)
Total tax expenses		**5,734**	6,123
Profit for the year (A)		**12,430**	13,548
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the defined benefit liability / asset (net of tax)		**(14)**	(76)
Total other comprehensive income (net of tax) (B)		**(14)**	(76)
Total comprehensive income (A+B)		**12,416**	13,471
Profit attributable to:			
Owners of the company		**12,420**	13,475
Non-controlling Interest	28	**(7)**	(4)
Profit for the year		**12,413**	**13,471**
Earnings per equity share			
Weighted average equity shares used in computing earnings per equity share			
- Basic (₹)		**4,00,00,348**	4,00,00,000
- Diluted (₹)		**4,01,10,712**	4,00,00,000
Equity shares of par value ₹ 10 each			
- Basic (₹)		**31.08**	33.87
- Diluted (₹)		**30.99**	33.87
See accompanying notes to the financial statements	1 to 39		

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

For and on behalf of the Board of Directors of
NSDL e-Governance Infrastructure Limited
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Sd/-
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Managing Director and CEO
DIN-00059632

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

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

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

Sd/-
Maulesh Kantharia
Company Secretary

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

A. Equity share capital

Currency : (₹ in Lakhs)

Balance as at 1 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018
4000	0	4000

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

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

B. Other equity

Currency : (₹ in Lakhs)

Particulars	Other equity						Attributable to non controlling interest	Total
	Attributable to owners of the company							
	Reserves and surplus			ESOP reserve	Securities premium	Other comprehensive income		
	Capital redemption reserve	General reserve	Retained earnings			Other items of other comprehensive income		
Balance as at the April 1, 2017	**2,500**	**20,843**	**19,615**	**-**	**-**	**(414)**	**-**	**42,544**
Transfer from retained earnings	-	9,000	(9,000)	-	-	-	-	**-**
Re-measurement of the defined benefit liability / asset	-	-	-	-	-	(76)	-	**(76)**
Employee stock appreciation rights	-	-	-	97	-	-	-	**97**
Non controlling interest of minority shareholders in subsidairy	-	-	-	-	-	-	(4)	**(4)**
Dividend (including tax on dividend)	-	-	(3,129)	-	-	-	-	**(3,129)**
Profit for the year ended March 31, 2018	-	-	13,547	-	-	-	-	**13,547**
Balance as at the March 31, 2018	**2,500**	**29,843**	**21,033**	**97**	**-**	**(490)**	**(4)**	**52,979**

NSDL e-Gov Annual Report 2018-19

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

Currency : (₹ in Lakhs)

Particulars	Other equity						Attributable to non controlling interest	Total
	Attributable to owners of the company							
	Reserves and surplus			ESOP reserve	Securities premium	Other comprehensive income		
	Capital redemption reserve	General reserve	Retained earnings			Other items of other comprehensive income		
Balance as at the April 1, 2018	**2,500**	**29,843**	**21,033**	**97**	**-**	**(490)**	**(4)**	**52,979**
Transfer from retained earnings	-	10,000	(10,000)					**-**
Adjustment on initial application of IndAS 115, net of tax (refer note 37)	-	-	86	-	-	-	**-**	**86**
Re-measurement of the defined benefit liability / asset	-	-	-	-	-	(14)	**-**	**(14)**
Employee stock appreciation rights	-	-	-	250	16	-	**-**	**266**
Non controlling interest of minority shareholders in subsidairy	-	-	-	-	-	-	**(7)**	**(7)**
Dividend (including tax on dividend)	-	-	(3,134)	-	-	-	**-**	**(3,134)**
Profit for the year ended March 31, 2019	-	-	12,430	-	-	-	-	12,430
Balance as at the March 31, 2019	**2,500**	**39,843**	**20,415**	**347**	**16**	**(504)**	**(11)**	**62,606**

Note: # Purpose of Reserve stated as follows:

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

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

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

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

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

Sd/-
N Sampath Ganesh
Partner
Membership No: 042554

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

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

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

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

Consolidated Statement of Cash Flows for the year ended 31 March 2019

Currency : (₹ in Lakhs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
A)	**Cash flow from operating activities**		
	Profit before tax	**18,164**	19,671
	Adjustments for :		
	Depreciation and amortisation	**1,989**	1,055
	Amortisation of premium / discount on Government/debt securities	**146**	85
	Loss on sale /discard of assets	**12**	-
	Provision for impairment of assets	**6**	-
	(Gain) / loss on foreign currency fluctuation	**-**	(4)
	Loss on sale of current investment	**5**	2
	Adjustments for :		
	Interest Income on Long Term Investment	**(2,263)**	(1,737)
	Interest Income on Bank deposit	**(190)**	(241)
	Excess provision written back	**-**	(51)
	Interest Paid on Income tax	**18**	39
	Employee Stock Option Plan	**250**	97
	Gratuity OCI	**(14)**	-
	Dividend received - others	**(116)**	(210)
	Operating cash flow before changes in working capital	**18,007**	18,706
	Changes in working capital		
	Trade receivable	**(1,650)**	763
	Other assets	**825**	(601)
	Other financial liabilities, other liabilities and provisions	**1,414**	(2,527)
	Net changes in working capital	**18,596**	16,342
	Income taxes paid	**(5,911)**	(6,460)
	Net cash used in operating activities (A)	**12,685**	9,882

Consolidated Statement of Cash Flows for the year ended 31 March 2019

Currency : (₹ in Lakhs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
B)	**Cash flow from investing activities**		
	Purchase of property plant and equipment and capital advances given	**(2,740)**	(4,837)
	Proceeds from sale of fixed assets	**21**	2
	Interest received	**2,312**	1,925
	Dividend received	**116**	210
	Purchase of non-current investments (net of interest accrued upto date of purchase)	**(7,933)**	(5,173)
	Purchase of current investments	**(6,618)**	(2,709)
	Investment in fixed deposit	**(1,249)**	(710)
	Proceeds from redemption of non-current investments	**100**	259
	Proceeds from redemption of current investments	**5,736**	2,555
	Proceeds from redemption/maturity of fixed deposit	**-**	700
	Interest paid on income tax	**(18)**	(39)
	Net cash used in investing activities (B)	**(10,273)**	(7,817)
C)	**Cash flow from financing activities**		
	Proceeds from issue of share capital (including security premium amount)	**17**	-
	Dividend paid	**(2,605)**	(2,600)
	Dividend distribution tax paid	**(529)**	(529)
	Net cash generated from (used in) financing activities (C)	**(3,117)**	(3,129)
	Net increase/(decrease) in cash and cash equivalents at the end of the year (A+B+C)	**(705)**	(1,064)
	Cash and cash equivalents at the beginning of the year	**4,644**	5,708
	Cash and cash equivalents at the end of the year	**3,939**	4,644

Notes to Cash Flow Statement:

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

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

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

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

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

Sd/-
N Sampath Ganesh
Partner
Membership No: 042554

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Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

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

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

1. Corporate information

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

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

1.1 Summary of significant accounting policies :

a) Statement of compliance

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

b) Basis of preparation of Financial Statements

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

c) Use of estimates

The preparation of the consolidated financial statements in conformity with the recognition and measurement principles of the Ind AS requires management of the Group to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated financial statements have been disclosed below. Accounting estimates could change from period to period. Although these estimate are based on management's best knowledge of current events and actions, uncertainty about the assumption and estimates could result in the outcome requiring material adjustment to the carrying amount of asset and liabilities.

Defined benefit

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

Property, plant and equipment

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

Income taxes

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

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

Fair value measurement of financial instruments

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

Trade receivables

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

d) Leases

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

e) Revenue Recognition

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

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 1.1(d) – Significant accounting policies – Revenue recognition in the Annual report of the Group for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the consolidated financial statements of the Group is insignificant.

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

To recognise revenues, the Group applies the following five step approach;

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

Performance obligations

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

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

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

Determination of transaction price

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

Allocation of transaction price

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

Contract balances

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

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

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

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

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

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

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

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

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

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

Contracts are subject to modification to account for changes in contract specification and requirements.

The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition

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

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

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

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

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

Interest income

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

Dividend income

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

f) Property, plant and equipment

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

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

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

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

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

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

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

g) Depreciation

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

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

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

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

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

Computer Software is amortized over a period of 2 years.

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

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

h) Intangible assets

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research cost are expensed as incurred.

Development costs

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

- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability and intention to use the asset
- How the asset will generate future economic benefits
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

i) Impairment of tangible and intangible assets excluding goodwill

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

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

j) Foreign currency transactions and translation

Transactions and translations

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

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

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

k) Employee benefit costs

- **Short- term employee benefits**

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

- **Post-Employment benefits**

  Defined Contribution plans

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

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

Defined benefit Plans

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

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

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

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

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

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

l) Income Tax

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

Current tax

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

Deferred tax

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

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

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

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

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

m) Provisions, Contingent liabilities and Contingent assets

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

n) Cash Flow statement.

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

o) Cash and Bank balances

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

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

p) Earnings per share

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

q) Financial instruments

Initial recognition

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

Subsequent measurement

Financial assets

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

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

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

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

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

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

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

Loans and receivables

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

Impairment of financial assets

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

Derecognition of financial assets

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

Loans and receivables

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

Subsequent measurement

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Investment in subsidiaries

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

Financial liabilities and equity instruments

Equity instruments

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

Financial liabilities

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

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

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

Derecognition of financial liabilities

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

Non-current Assets Held for Sale and Discontinued Operations

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

Offsetting arrangements

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

r) Dividends

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

1.2 Recent Indian Accounting Standards (Ind AS)

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

Ind AS – 116

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

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

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

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

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

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

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

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

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

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

Ind AS 109 – Prepayment Features with Negative Compensation

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

Ind AS 19 – Plan Amendment, Curtailment or Settlement

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

Ind AS 23 – Borrowing Costs

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

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

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

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

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

2 Property, plant, equipments and intangible assets

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

Currency : (₹ in Lakhs)

Particulars	Property, plant and equipments								Other intangible assets	
	Land free-hold	Build-ing	Com-puters	Data and tele-com-muni-cation equip-ments	Elec-tric instal-lation	Office equip-ment	Fur-niture and fix-tures	Total	Com-puter soft-wares (oth-ers)	Total
Gross carrying value as of 1 April 2018	**1,574**	**9,354**	**6,451**	**1,188**	**1,397**	**2,647**	**1,334**	**23,945**	**4,347**	**4,347**
Additions	-	68	583	651	-	101	1	**1,404**	480	**480**
Deletions	-	-	307	33	112	54	88	**594**	-	**-**
Gross carrying value as of 31 March 2019	**1,574**	**9,422**	**6,727**	**1,806**	**1,285**	**2,694**	**1,247**	**24,755**	**4,827**	**4,827**
Accumulated depreciation as of 1 April 2018	**-**	**3,987**	**4,432**	**873**	**490**	**681**	**388**	**10,851**	**3,791**	**3,791**
Depreciation	-	87	530	135	90	424	100	**1,366**	623	**623**
Accumulated depreciation on deletion	-	-	292	32	106	48	84	**562**	-	**-**
Accumulated depreciation as of 31 March 2019	**-**	**4,074**	**4,670**	**976**	**474**	**1,057**	**404**	**11,655**	**4,414**	**4,414**
Carrying value as of 31 March 2019	**1,574**	**5,348**	**2,057**	**830**	**811**	**1,637**	**843**	**13,100**	**413**	**413**

2 Property, plant, equipments and intangible assets

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

Currency : (₹ in Lakhs)

Particulars	Property, plant and equipments								Other intangible assets	
	Land free-hold	Build-ing	Com-puters	Data and tele-com-muni-cation equip-ments	Elec-tric instal-lation	Office equip-ment	Fur-niture and fix-tures	Total	Com-puter soft-wares (oth-ers)	Total
Gross carrying value as of 1 April 2017	**1,574**	**5,290**	**5,590**	**1,058**	**524**	**684**	**516**	**15,236**	**3,560**	**3,560**
Additions	-	4,064	938	130	873	1,965	824	**8,794**	787	**787**
Deletions	-	-	77	-	-	2	6	**85**	-	**-**
Gross carrying value as of 31 March 2018	**1,574**	**9,354**	**6,451**	**1,188**	**1,397**	**2,647**	**1,334**	**23,945**	**4,347**	**4,347**
Accumulated depreciation as of 1 April 2017	**-**	**3,947**	**4,090**	**813**	**459**	**531**	**348**	**10,188**	**3,479**	**3,479**
Depreciation	-	40	415	60	31	152	45	**743**	312	**312**
Accumulated depreciation on deletion	-	-	73	-	-	2	5	**80**	-	**-**
Accumulated depreciation as of 31 March 2018	**-**	**3,987**	**4,432**	**873**	**490**	**681**	**388**	**10,851**	**3,791**	**3,791**
Carrying value as of 31 March 2018	**1,574**	**5,367**	**2,019**	**315**	**907**	**1,966**	**946**	**13,093**	**556**	**556**

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

3 Non-current investments

Currency : (₹ in Lakhs)

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

3 Non-current investments

Currency : (₹ in Lakhs)

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

4. Other financial assets
(Unsecured considered good)

Currency : (₹ in Lakhs)

Particulars	Non-current		Current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**	31.03.2018 (₹ in Lakhs)
Others				
Security deposit	**1,248**	870	**2**	427
Interest accrued on investments	**-**	-	**923**	764
Less: Provision for impairment of assets	**-**	-	**(1)**	-
Interest accrued on bank deposits	**6**	58	**81**	47
Restricted deposits with banks against performance guarantee	**966**	440	**-**	326
Unbilled revenue	**304**	320	**816**	1,544
Deferred Revenue	**410**	-	**248**	-
Total	**2,934**	1,688	**2,069**	3,108

5 Income taxes

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

<u>**Profit or loss section**</u>

Particulars	**31.03.2019 (₹ in Lakhs)**	31.03.2018 (₹ in Lakhs)
Current taxes	**5,737**	6,223
Deferred taxes	**(3)**	(100)
Income tax expense reported in the statement of profit or loss	**5,734**	6,123

<u>**OCI section**</u>

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

Particulars	**31.03.2019 (₹ in Lakhs)**	31.03.2018 (₹ in Lakhs)
Re-measurement of the defined benefit liability / asset	**(5)**	-
	(5)	-

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

Currency : (₹ in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit before income taxes	**18,164**	19,671
Enacted tax rates in India	**34.944%**	34.608%
Computed expected tax expenses	**6,347**	6,807
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Depreciation	**-**	-
Income exempt from tax	**(780)**	(645)
Donation	**56**	53
Disallowance u/s 14A	**113**	89
Provision for employees long term incentive plan	**6**	(49)
Others	**12**	(133)
Total income tax expens	**5,754**	6,123

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

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

Particulars	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Net current income tax asset/ (liability) at the beginning	**1,150**	939
Income tax paid	**(5,911)**	(6,434)
Current income tax expense	**(5,737)**	(6,223)
Income tax on other comprehensive income		
Net current income tax asset/ (liability) at the end	**1,324**	1,150

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

Currency : (₹ in Lakhs)

Particulars	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Deferred income tax assets		
Provision for compensated absences	375	340
Diminution in value of non-current investments	-	-
Provision for doubtful debts	42	41
Deferred revenue expenditure	43	72
Other	102	87
Total deferred income tax assets	**562**	**540**
Deferred income tax liabilities		
Difference between tax balance and book balance of fixed assets	322	226
Amortisation of Revenue	111	188
Total deferred income tax liabilities	**433**	**414**
Deferred income tax Assets after set off	**129**	**126**

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

Particulars	31 March 2019 (₹ in Lakhs)	31 March 2018 (₹ in Lakhs)
Net deferred income tax assets at the beginning	**126**	26
Add:		
Provision for compensated absences	**35**	303
Amortisation of non-current investments	**-**	(24)
Other	**15**	14
Provision for Doubtful Debts	**1**	41
Amortisation of assets	**(29)**	72
Less:		
Difference between tax balance and book balance of fixed assets	**96**	118
Amortisation of revenue	**(77)**	188
Net deferred income tax assets at the end	**129**	126

6 Deferred tax assets (net)

Currency : (₹ in Lakhs)

Particulars	Non-current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Related to other items	**83**	126
Net deferred tax assets	**83**	126

7 Other assets

	Particulars	Non-current		Current	
		31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**	31.03.2018 (₹ in Lakhs)
(A)	**Capital advances**	**172**	35		-
(B)	**Advances to related parties**	**-**	-	**-**	-
(C)	**Other advances**				
	Prepaid expenses	**283**	341	**1,104**	1,306
	Loans to employees	**2**	6	**3**	1
	GST credit receivable	**-**	-	**1,092**	842
	Advance to suppliers	**-**	-	**369**	261
	Others	**-**	-	**21**	44
		457	382	**2,589**	2,454

8. Current investments

Currency : (₹ in Lakhs)

	Particulars	Year of maturity	Rate of interest	As at 31 March 2019			As at 31 March 2018		
				No. of units	Face value	(₹ in Lakhs)	No. of units	Face value	(₹in Lakhs)
Non convertible debentures									
1	Rural Electrification Corporation	2019	8.72	2	10,00,000	19	2	10,00,000	-
2	TATA Capital Financial Services Limited	2019	9.95	2	10,00,000	10	2	10,00,000	-
3	Rural Electrification Corporation	2020	8.65	2	10,00,000	19	2	10,00,000	-
4	Rural Electrification Corporation	2019	8.65	-	-		7	10,00,000	70
5	Power Finance Corporation Limited	2018	11.25	-	-	-	1	10,00,000	12
6	IDBI Bank Limited	2018	11.30	-	-	-	2	10,00,000	23
Liquid mutual funds									
1	Units of Axis Treasury Advantage Fund - Institutional Daily Dividend Reinvestment			56,055	1,007	565	53,159	1,000	535
2	Units of Axis Liquid Fund - Institutional Daily Dividend Reinvestment			50,474	1,001	505	52,983	1,000	530
3	Units of Principal Cash Management Fund-Dividend Reinvestment Daily			53,279	952	507	53,290	1,000	534
4	Units of UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option)						53,396	1,000	535
5	Units of UTI Liquid Cash Plan Fund - Institutional Plan (Daily Dividend Option)			49,553	1,019	505	51,932	1,000	529
6	Aditya Birla Sun Life Liquid Fund-Daily Dividend - Direct Plan			5,00,355	100	502	521,320	100	522
7	LIC MF Income Plus Fund- Daily Dividend Reinvestment			-	-	-	5,189,567	10	527
8	LIC MF Liquid Fund- Daily Dividend Reinvestment			46,009	1,098	505			
9	ICICI Prudential Liquid Plan- Daily Dividend Reinvestment			5,00,815	100	502			
10	IDFC Cash Fund- Daily Dividend Reinvestment			50,048	1,002	502			
11	Canara Robeco Liquid Fund- Direct Daily Dividend Reinvestment			49,872	1,006	501	-	-	-
	Total					**4,642**			**3,817**

9 Trade receivables

Currency : (₹ in Lakhs)

Particulars	Current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Unsecured, considered good unless stated otherwise		
Secured, considered good	-	-
Unsecured, considered good	18,188	16,510
Credit Impaired	-	-
Doubtful	119	119
	18,307	16,629
Less: Provision for doubtful debts	**(119)**	**(119)**
	18,188	16,510
Total	**18,188**	16,510

10 Cash and cash equivalents

Particulars	Current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Cash and cash equivalents		
Balances with banks in current accounts	**3,938**	4,643
Cash on hand	**1**	1
	3,939	4,644

11 Other bank balances

Particulars	Current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Bank deposits with original maturity for more than 3 months but less than 12 months	**1,610**	561
Total	**1,610**	561

12 Equity share capital

Particulars	Non-current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Authorised		
50,00,00,000 (Previous Year 50,00,00,000) equity shares of Rs 10 each.	**50,000**	50,000
Issued, Subscribed and Paid-up		
4,00,05,300 (Previous year 4,00,00,000) equity shares of Rs.10 each fully paid up.	**4,001**	4,000
Total	**4,001**	4,000

a) **Reconciliation of number of shares**

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

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

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

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

Particulars	As at 31.03.2019		As at 31.03.2018	
	Numbers of shares held	% of holding	Numbers of shares held	% of holding
NSE Investments Ltd	**1,00,18,000**	**25.05**	1,00,18,000	25.05
IIFL Special Opportunities Fund	**28,94,507**	**7.24**	34,40,334	8.60
Administrator of Specified Undertaking of Unit Trust of India	**27,32,000**	**6.83**	27,32,000	6.83
IIFL Special Opportunities Fund – Series 4	**24,99,178**	**6.25**	24,99,178	6.25
IIFL Special Opportunities Fund – Series 2	**20,16,366**	**5.04**	22,07,809	5.52

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

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

13 Other equity

		31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
a)	**Capital redemption reserve**		
	(i) Opening balance	**2,500**	2,500
	(ii) Transfer from retained earnings	**-**	-
		2,500	2,500
b)	**General reserve**		
	(i) Opening balance	**29,843**	20,843
	(ii) Transfer from retained earnings	**10,000**	9,000
		39,843	29,843
c)	**Retained earnings**		
	(i) Opening balance	**21,033**	19,615
	(ii) Adjustment on initial application of IndAS 115, net of tax (refer note 37)	**86**	-
	(iii) Transfer to general reserve	**(10,000)**	(9,000)
	(iv) Dividend (including tax on dividend)	**(3,134)**	(3,129)
	(v) Profit for the year	**12,430**	13,547
		20,415	21,033
d)	**Non controlling interest of minority shareholders in subsidairy**		
	(i) Opening balance	**(4)**	-
	(ii) Non controlling interest of minority shareholders in subsidairy	**(7)**	(4)
		(11)	(4)
e)	**Other comprehensive income**		
	(i) Opening balance	**(490)**	(414)
	(ii) Re-measurement of the defined benefit net liability / asset	**(14)**	(76)
		(504)	(490)
f)	**ESOP reserve**		
	(i) Opening balance	**97**	-
	(ii) Employee stock appreciation rights	**250**	97
		347	97
g)	**Securities premium**		
	(i) Opening balance	**-**	-
	(ii) Employee stock appreciation rights	**16**	-
		16	-
		62,606	52,979

14 Provision

Particulars	Non-current		Current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**	31.03.2018 (₹ in Lakhs)
Provision for employee benefits				
Medical benefits	**-**	-	**-**	40
Provision for leave travel allowance	**-**	-	**48**	20
Provision for employee Incentives	**171**	155	**940**	867
Gratuity payable	**-**	-	**280**	333
Provision for leave encashment	**-**	-	**1,072**	981
Total	**171**	155	**2,340**	2,241

15 Other financial liabilities

Particulars	Non-current		Current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**	31.03.2018 (₹ in Lakhs)
Liability for expenses	**-**	-	**3**	7
Creditors for capital expenditure	**-**	-	**130**	911
Directors' commission payable	**-**	-	**112**	122
Other liabilities	**-**	-	**316**	237
Deferred expenses	**328**	-	**198**	-
Total	**328**	-	**759**	1,277

16 Trade payables

Particulars		Current	
		31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Trade payables			
	Dues of micro enterprises and small enterprises	**508**	508
	Dues of creditors other than micro enterprises and small enterprises	**8,486**	6,881
		8,994	7,389

17 Other current liabilities

Particulars	Non-current		Current	
	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)	**31.03.2019 (₹ in Lakhs)**	31.03.2018 (₹ in Lakhs)
Advances from customers	**-**	-	**853**	825
Indirect tax payable and other statutory liabilities	**-**	-	**1,491**	960
Income received in advance	**-**	-	**2,917**	3,719
Total	**-**	-	**5,261**	5,504

18 Revenue from operations

Particulars	**31.03.2019 (₹ in Lakhs)**	31.03.2018 (₹ in Lakhs)
Sale of services :		
Transaction fees	**63,054**	79,615
Other operational income	**731**	505
Accounts maintenance fees	**11,740**	9,638
Other operating revenues		
Recovery againts bad debts	**100**	-
Total	**75,625**	89,758

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

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

Changes in contract assets are as follows:

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

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

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

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

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

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

Practical expedients used

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

19 Other income

Particulars	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Interest income		
On investment		
-- Current	**-**	42
-- Long term	**2,117**	1,610
On bank deposits	**190**	241
On overdue trade receivables	**358**	289
On others	**86**	60
Dividend income		
-- Current	**116**	210
Support charges	**80**	58
Rent income	**513**	143
Excess provision written back	**-**	51
Miscellaneous income	**20**	10
Total	**3,480**	2,714

20 Employee benefits expenses

Particulars	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Salaries, wages and bonus	**5,611**	5,204
Contribution to provident and other fund (refer Note 23)	**643**	595
Staff welfare expenses	**264**	285
Total	**6,518**	6,084

21 Other expenses

Particulars	31.03.2019 (₹ in Lakhs)	31.03.2018 (₹ in Lakhs)
Rent	**1,590**	960
Communication expenses	**800**	567
Travelling and conveyance expenses	**659**	667
Annual fees	**743**	639
Processing charges	**41,072**	54,039
Repairs and maintenance		
- To buildings	**327**	274
- To computers, trading and telecommunication systems	**5,084**	5,345
- To others	**114**	126
Insurance	**153**	68
Rates and taxes	**122**	185
Advertisement and publicity	**135**	527
Legal and professional fees	**342**	336
Printing and stationery expenses	**29**	31
Payment to auditor (refer note below)	**38**	20
Electricity charges / power fuel	**437**	477
Directors' sitting fees	**37**	41
Directors' commission	**124**	136
Bad debts written off	**-**	512
Excess provision written back	**1**	-
Loss on sale /discard of assets (net)	**12**	2
Loss on sale of investment	**5**	-
Expenditure incurred on CSR activities (refer note 31)	**322**	303
Other expenses	**270**	368
Total	**52,416**	65,623
Note :		
Payment to auditor		
As auditor:		
Audit fees	**24**	17
Tax audit fee	**4**	3
In other capacity:		
Certification matters	**10**	-
Other services	**-**	-
Total	**38**	20

22 Earnings Per Share

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

Currency : (₹ in Lakhs)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
Net profit attributable to shareholders			
(a)	Profit before exceptional item and tax	**18,164**	19,671
	Tax on above	**5,734**	6,123
	Profit after tax and before exceptional item (A)	**12,430**	13,548
Weighted average number of equity shares issued (No. in lakhs)		**400**	400
Basic earnings per share of ₹ 10/- each (in ₹)		**31.08**	33.87
Weighted average number of equity shares issued (No. in lakhs)		**401**	400
Diluted earnings per share of ₹ 10/- each (in ₹)		**31.00**	33.87

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

i) Defined contribution plan:

(a) Company's contribution towards superannuation amounting to ₹ 154 Lakhs (Previous Year : ₹ 151 lakhs).

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

ii) Defined benefit plan:

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

(i) Assumptions:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Discount rate	**7.76%**	7.73%
Rate of return on plan assets	**7.76%**	7.73%
Salary escalation	**8.00%**	8.00%
Attrition rate	**5.00%**	5.00%

(ii) Sensitivity analysis

Currency : (₹ in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Projected benefit obligation on current assumptions	**3,580**	3,067
Delta effect of +1% change in rate of discounting	**(260)**	(295)
Delta effect of -1% change in rate of discounting	**303**	353
Delta effect of +1% change in rate of salary increase	**299**	349
Delta effect of -1% change in rate of salary increase	**(261)**	(297)
Delta effect of +1% change in rate of employee turnover	**(9)**	(7)
Delta effect of -1% change in rate of employee turnover	**10**	8

(iii) Table showing change in benefit obligation:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Liability at the beginning of the year	**3,070**	2,605
Interest cost	**238**	199
Current service cost	**244**	225
Benefits paid	**(26)**	(44)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	**(8)**	(69)
Actuarial (gains)/losses on obligations - due to experience	**50**	154
Liability at the end of the period/year	**3,567**	3,070

(iv) Table showing fair value of plan assets:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Fair value of plan assets at the beginning of the year	**2,737**	2,192
Interest income	**212**	168
Expected return on plan assets	**-**	-
Contributions	**333**	412
Benefits paid	**(26)**	(44)
Actuarial gain / (loss) on plan assets	**27**	9
Fair value of plan assets at the end of the period/year	**3,283**	2,737

(v) Amount recognised in the Balance Sheet

Currency : (₹ in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Fair value of plan assets as at the end of the period/year	3,283	2,737
Liability as at the end of the year	3,567	3,070
Net (liability) / asset disclosed in the Balance Sheet	**(284)**	(333)

(vi) Net interest cost for current period/year

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest cost	238	199
Interest income	(212)	(168)
Net interest cost for current period/year	**26**	31

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

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Current service cost	244	225
Net interest cost	26	31
Expenses recognised in the Statement of Profit & Loss	**270**	257

(viii) Expenses recognised in the other comprehensive income

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Expected return on plan assets	(27)	(9)
Actuarial (gain) or loss	41	85
Net (income)/expense for the period/year recognized in OCI	**14**	76

(ix) Balance sheet reconciliation

Currency : (₹ in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Opening net liability	**333**	413
Expenses recognized in statement of profit or loss	**270**	257
Expenses recognized in OCI	**14**	76
Employers contribution	**(333)**	(412)
Amount recognised in the balance sheet	**284**	333

(x) Category of assets

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Insurer managed funds	**3,283**	2,737
Total	**3,283**	2,737

(xi) Expected contribution for next year

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Expected contribution for next year	**293**	348
Total	**293**	348

24 Financial instruments

24.1 Financial instruments by category

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

Currency : (₹ in Lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (refer note 10)	4,644	-	-	-	-	4,644	4,644
Tax free bonds (refer note 3)	24,398	-	-	-	-	24,398	24,398
Liquid mutual fund units (refer note 8)	-	-	3,712	-	-	3,712	3,712
Non convertible debentures (refer note 3 & 8)	584	-	-	-	-	584	584
Trade receivables (refer note 9)	16,510	-	-	-	-	16,510	16,510
Other financial assets (refer Note 4)	5,357	-	-	-	-	5,357	5,357
Total	**51,493**	**-**	**3,712**	**-**	**-**	**55,205**	**55,205**
Liabilities:							
Trade payables (refer note 16)	7,389	-	-	-	-	7,389	7,389
Other financial liabilities (refer note 15)	1,277	-	-	-	-	1,277	1,277
Total	**8,666**	**-**	**-**	**-**	**-**	**8,666**	**8,666**

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

Currency : (₹ in Lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (refer note 10)	3,939	-	-	-	-	3,939	3,939
Tax free bonds (refer note 3)	32,176	-	-	-	-	32,176	32,176
Liquid mutual fund units (refer note 8)	-	-	4,594	-	-	4,594	4,594
Non convertible debentures (refer note 3 & 8)	482	-	-	-	-	482	482
Trade receivables (refer note 9)	18,188	-	-	-	-	18,188	18,188
Other financial assets (refer note 4)	5,003	-	-	-	-	5,003	5,003
Total	**59,788**	**-**	**4,594**	**-**	**-**	**64,382**	**64,382**
Liabilities:							
Trade payables (refer note 16)	8,994	-	-	-	-	8,994	8,994
Other financial liabilities (refer note 15)	759	-	-	-	-	759	759
Total	**9,753**	**-**	**-**	**-**	**-**	**9,753**	**9,753**

24.2 Fair value hierarchy

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

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

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

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

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

24.3 Financial risk management

Financial risk factors

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

Credit risk

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

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

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

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 2018 was ₹ 119 lakhs.

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

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

Liquidity risk

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

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

Particulars	March 31, 2019	March 31, 2018
Current assets	**33,037**	31,094
Current liability	**17,354**	16,411
Working capital	**15,683**	14,683
Cash and cash equivalents	**5,549**	5,205
Investments	**4,642**	3,817

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

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

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables (refer note 16)	8994	-	-	-	8994
Other financial liabilities (refer note 15)	759	-	-	-	759

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

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables (refer note 16)	7389	-	-	-	7389
Other financial liabilities (refer note 15)	1,277	-	-	-	1,277

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

Currency : (₹ in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Lease obligations		
Total of future minimum lease payments		
- Not later than one year	**473**	518
- Later than one year and not later than five years	**171**	580
- Later than five years	**-**	-

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

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

27 Related Party Transactions

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

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

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

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

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

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

Currency : (₹ in Lakhs)

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

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

28 Minority interest

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

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

Breakup of reserves & surplus

Reserve and surplus calculation

Currency : (₹ in Lakhs)

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

29 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹1896 lakhs (previous year ₹1420 lakhs).

30 Contingent liability:

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

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

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

The Hon' Supreme Court in the case of Regional Provident Fund Commissioner Vs. Vicekananda Viday Mandir and Ors [LSI-62-SC-2019(NDEL)] has rendered a decision dated February 28, 2019 with reference to The Employees Provident Fund and Miscellaneous Provisions Act, 1952 on a common question of law as to whether special allowance paid by an establishment to its employees would fall within the expression of 'basic wages' under section 2(b) (ii) read with section 6 of the act for the purpose of computation of deduction towards provident fund. The Supreme Court has held that in order to exclude the allowance from the ambit of basic wages, there must be evidence to show that the workman concerned has become eligible to get the extra amount beyond the normal work which he was otherwise required to put in. The test laid down by the Supreme Court will now have to be applied to each and every allowance to examine whether the allowance is excluded from the purview of wages or not. If the test for exclusion is met, then the said allowance would not form part of wages for the purpose of contribution under the Act.

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

MVAT payable to seller on purchase of Times Tower premises

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

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

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

Currency : (₹ in Lakhs)

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

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

33 Employee stock option plan

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

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

Movement of stock options during the year

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

Significant assumptions used to estimate the fair value of options:

Variables	
1. Risk Free Interest Rate	6.77%
2. Expected Life	3.83
3. Expected Volatility	60.18%
4. Dividend Yield	2.10%
5. Price of the underlying share in market at the time of the option grant (Rs.)	310.00

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

Adjusted net income and earning per share

Particulars	For the year ended 31 March 2019 (₹ in Lakhs)	For the year ended 31 March 2018 (₹ in Lakhs)
Net Income as reported	**12,430**	13,548
Earning Per Share: Basic		
As Reported	**31.08**	33.87
Adjusted Pro Forma	**31.70**	34.11
Earning Per Share: Diluted		
As Reported	**30.99**	33.87
Adjusted Pro Forma	**31.61**	34.11

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

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

b) Amount spent during the year:

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

35 Capital management

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

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

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

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

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

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

The Company has applied Ind AS 115, Revenue from Contracts with Customers with effect from April 1, 2018. The application of Ind AS 115 has resulted in changes in accounting policies and adjustment to the amounts recognised in the financial statements. The Company has adopted Ind AS 115 retrospectively with the cumulative effect of initial application recognized in the opening retained earnings on April 1, 2018. Pursuant to the adoption of Ind AS 115, the Company has identified two separate performance obligation in scanning and storage contract and has determined the separate transaction price for the storage services. Pursuant to the Ind AS 115 adoption, as at April 1, 2018, retained earnings are lower by ₹ 132 lakhs which comprises of increase in deferred revenue aggregating ₹ 658 lakhs which is offset by an increase in deferred expenses aggregating ₹ 526 lakhs and impact on deferred tax assets (net) by ₹ 46 lakhs.

38 Subsequent events

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

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

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

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

Sd/-
N Sampath Ganesh
Partner
Membership No: 042554

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

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

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

Form AOC-I

ANNEXURE

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A " : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

1. Sl. No. : 1217834-M
2. Name of the subsidiary : NSDL e-Governance (Malaysia) Sdn. Bhd.
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period*: 31st March 2019
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.*: As on 1st April 2018: MYR @ INR 100 to MYR 16.99; as on 31st March 2019: MYR @ INR 100 to MYR 16.79 and Average Rate: MYR @ INR 100 to MYR 16.89
5. Share capital* : MYR1,000/Rs. 16,990
6. Reserves & surplus* : MYR-1,31,343/Rs. – 22,23,561
7. Total assets* : MYR1,22,476/Rs. -20,80,867
8. Total Liabilities* : MYR252,819/Rs. 42,74,791
9. Investments* : NIL
10. Turnover* : NIL
11. Profit before taxation* : MYR-79,561/Rs. – 13,43,785
12. Provision for taxation* : NIL
13. Profit after taxation* : MYR-79,561/ Rs. – 13,43,785
14. Proposed Dividend* : NIL
15. % of shareholding* : 51%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: NSDL e-Governance (Malaysia) Sdn. Bhd.
2. Names of subsidiaries which have been liquidated or sold during the year: -

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Name of Associates/Joint Ventures	NSDL e-Governance (Malaysia) Sdn. Bhd.
1. Latest audited Balance Sheet Date	N.A.
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	N.A.
Amount of Investment in Associates/Joint Venture	N.A.
Extend of Holding %	N.A.
3. Description of how there is significant influence	N.A.
4. Reason why the associate/joint venture is not consolidated	N.A.
6. Networth attributable to Shareholding as per latest audited Balance Sheet	N.A.
7. Profit / Loss for the year	
i. Considered in Consolidation	N.A.
wi. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations :
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

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

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Form AOC-II

[Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis: NIL**
   (a) Name(s) of the related party and nature of relationship
   (b) Nature of contracts/arrangements/transactions
   (c) Duration of the contracts / arrangements/transactions
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any
   (e) Justification for entering into such contracts or arrangements or transactions
   (f) date(s) of approval by the Board
   (g) Amount paid as advances, if any:
   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. **Details of material contracts or arrangement or transactions at arm's length basis**
   (a) Name(s) of the related party and nature of relationship :

   Name: NSDL e-Governance (Malaysia) SDN. BHD.
   Relationship: Subsidiary (51% Holding)

(b) Nature of contracts/arrangements/transactions
(c) Duration of the contracts / arrangements/transactions
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:
(e) Date(s) of approval by the Board, if any:
(f) Amount paid as advances till 31st March 2019, if any: Rs. 42,20,100/- (Pertaining to advance remitted in FY'18)

Form shall be signed by the persons who have signed the Board's report.

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

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

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary