28th Annual Report
2022-2023

protean
Change *is* growth

IMPACTING A BILLION.
Scaling New Peaks.

Impacting A Billion. Scaling New Peaks.

28 years ago, we started with the vision of a future where technology makes financial services more accessible, efficient, and responsive to the needs of individuals and businesses, enabling every Indian citizen to access public services and avail their multiple benefits. Our single-minded focus since then has been to build, integrate, and innovate fintech tools and models that redefine financial services delivery, improve customer experiences and catalyse growth.

Pioneering population-scale tech-enabled solutions across diverse sectors to introduce greater efficiencies in the tax system, strengthen social security and welfare, create digital identities, and develop Open Digital Ecosystems, we have successfully set new benchmarks, positively impacting the lives of more than a billion individuals we serve.

Given our widespread PAN-India network, strong partnerships and technological advancement, we believe that the scale of our reach and the transformative potential of our fintech solutions is immense. Utilising our strengths, we are all set to transcend the conventional boundaries to forge new paths and scale new peaks, with the objective to make a tangible, meaningful, and far-reaching difference in the world of finance.

Contents

KEY HIGHLIGHTS FY 2022-23

38+ Million
PANs processed

5+ Million
TDS filed electronically

13+ Million
NPS/APY Subscribers

277+ Million
Aadhaar authentications

2.4+ Billion
Online PAN Verifications

101+ Million
eSign transactions

246+ Million
e-KYC transactions

75+ Million
OLTAS Challans uploaded by Banks

1.1+ Million
Strategic Network Entities

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Company Overview

About Protean

IMPACTING A BILLION LIVES THROUGH NEXT-GEN FINTECH SOLUTIONS

One of the leading IT-enabled solution providers in India and architects of its digital public infrastructure, we engage in conceptualising, developing and executing nationally-critical and population-scale greenfield technology solutions since 1995. Over the years, our diversified service offerings, robust technological infrastructure, widespread network and an experienced leadership team, has transformed India's e-governance landscape by optimising the delivery of public services, positively impacting a billion lives.

The primary objective of e-governance is to support and simplify governance for government, citizens and businesses, at all levels. Protean e-Gov Technologies Limited, earlier known as NSDL e-Governance Infrastructure Limited, has extensively collaborated with the government to realise this vision - not just by developing enabling e-governance technologies but also by providing the necessary interventions for a strong ecosystem where such technologies can be desirably adopted and deployed. Our service offerings are extended to a vast range of business segments, in both public and private sectors.

Over the past 28 years, our commitment to democratise citizen-centric services has created a more inclusive and equitable economy, touching various aspects of a citizen's life. This includes provision for a tax identity for citizens, modernization of direct tax infrastructure, strengthening of social security infrastructure, powering financial inclusion, and contributing to Open Digital Ecosystems, among others. We have enabled 19 nationally critical e-governance stacks while working with 7 ministries across diverse sectors and are well-positioned for future growth across all market segments.

Vision

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

Mission

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

Values

Innovation

Integrity

Empowerment

Customer centricity

Agility

Global yet local

WHAT SETS US APART

Legacy
An established market leader pioneering universal and population-scale e-governance solutions with a rich experience of 28 years

Strong partnership
Trusted by the Government of India for implementing extensive, nationally-critical technology infrastructure

Technology
Proactive investments on cutting-edge technologies has made our platforms secure, scalable and advanced

Meticulous implementation
Implementation and management of 19 critical projects across seven ministries, validating our leadership and execution capabilities

Pan-India network
A widespread and robust pan-India network enabling scale and inclusion

Professionally managed
Led by experienced Board and Management

Backed by Marquee investors

1,55,000+ Physical touchpoints
Covering 12,524 Pin Codes across all 37 states and UTs

MARKET LEADER
Taxation, Social Security Welfare, Identity Across

B2G | B2B | B2C

Debt-free company
Consistent dividend paying track record for the last two decades

Operating Cash flow
FY23 of ₹ 1,370 Million

ROE of 12% in FY23
Total Capital of ₹ 8,569 Million

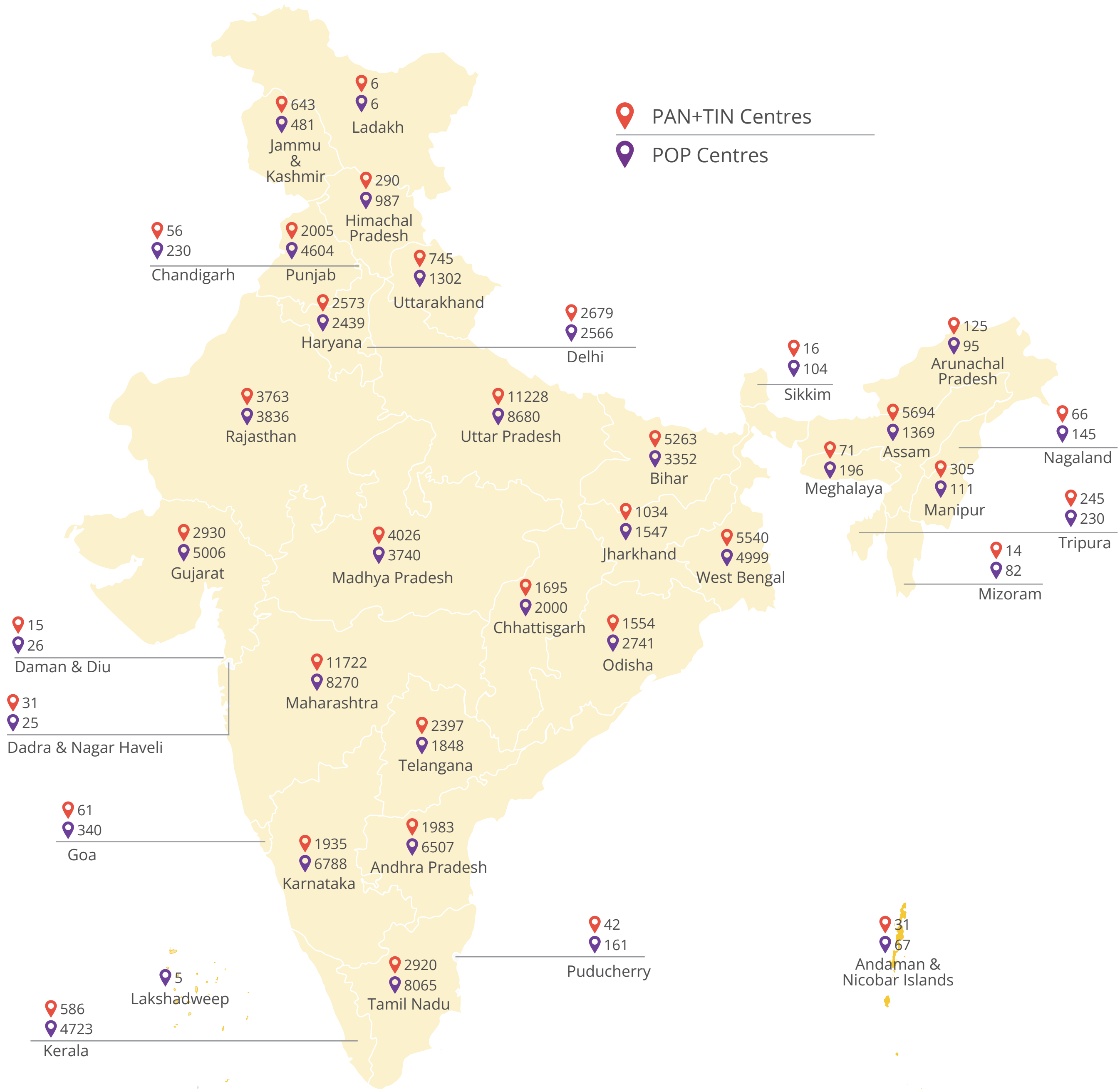
OUR PRESENCE

Our widespread PAN India network of centres enables us to reach out to millions of urban and rural customers as well as service the digitally excluded with ease to create a truly inclusive service delivery mechanism for all.

74,289
PAN+TIN centres

87,673
POP centres

1.1+ Million
Strategic network entities
(as on March 31, 2023)



Scaling New Peaks Since 1995

1995

Conceptualised and created infrastructure for capital market development in India

- **Originally set up as a Depository**[1]

1996 2005

Built inclusive Tax Systems for better efficiency, transparency and governance

- **Direct and Indirect taxes**
  - Permanent Account Number (PAN) Services
- **Tax Information Network (TIN)**
  - TAN issuance
  - eTDS returns
  - Tax ledger
  - OLTAS[2] dashboard
- **Electronic Accounting System in Excise & Service Tax (EASIEST)**
  - Automation of Central Excise and Service Tax

2006 2015

Strengthened National Pension System

- **Social Security & Welfare**
  Central Recordkeeping Agency for:
  - National Pension Scheme
  - Atal Pension Yojana
- **India Stack**
  Identity & Authentication Services
  - Aadhaar eKYC & Authentication
  - Online PAN Verification
  - eSign
- **Taxation**
  - GST Pilot

Note: 1. Demerged into separate company. 2. Online Tax Accounting System.

2016 2020

Contributing towards India Stack in powering India's Financial Inclusion journey

- **Taxation**
  - GST Suvidha
  - Tax litigation repository (NJRS)[3]
- **Education & Skill**
  - Loans & Scholarship
- **Workflow Management**
  - Revenue Management system for DoT[4]
  - Film Certification for CBFC[5]
- **Data Centre Services**

2021 and beyond

Contributing to Open Digital Ecosystems and seeding New businesses

- **Open Digital Ecosystems**
  - eCommerce (ONDC)
  - Mobility
  - Agriculture
  - Healthcare
  - Education
- **Data Stack**
  - Data Analytics
  - Account Aggregator
  - Digital Onboarding & Verification
- **Cloud Services**
- **Cyber Security Advisory**
- **International Expansion**

3. National Judicial Reference System; 4. Department of Telecom; 5. Appointed as Implementation Agency by Central Board of Film Certification.

Letter from Managing Director & CEO

Suresh Sethi
Managing Director & CEO

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report of your Company for the financial year ended March 31, 2023.

It was a challenging year for the global economy, with rising inflation and supply chain disruptions caused by the ongoing Russia-Ukraine war. Political instability in the United Kingdom, Columbia and Sri Lanka kept the business sentiment in check for advanced and emerging economies, including India. However, at the same time, there were significant technological advancements in 2022-2023, such as the developments in the fields of artificial intelligence (AI) and quantum computing. These advancements have the potential to disrupt many industries and change the way we live and work. Climate change was also a focus of international attention during the year.

Despite the challenges of a rapidly changing world, Protean continued to innovate and grow by transforming itself into a digital-first company. We are committed to using technology to make a positive impact on the world. At Protean, we believe 'Change' will be a constant driver of exponential growth for us and our customers, and our transformation is a key step in that direction.

Financial Performance

Protean delivered a strong financial performance for FY 2022-23. The Company grew on all fronts including revenues, profitability, operational efficiency, service-offerings, number of partners & customers, and geographical outreach. Revenue from operations during FY 2022-23 stood at ₹7,417 million as compared to ₹6,909 million in the previous year. I am further delighted to share that revenue from operations has gone past the pre-COVID levels as compared to ₹7,158 million (FY 2019-20). The Profit after Tax (PAT) during the year was ₹1,075 million.

The Company continued to strengthen and reinforce its multi-channel business model to ensure universal access to social and welfare benefits for the citizens at large. With the network of facilitation centres, Protean serves India's Digital Stack through an end-to-end assisted digital model spanning across 1.1 million+ PAN/TIN Facilitation Centres and Strategic Network Entities. During the year, we further underlined our commitment towards creation of assisted digital access at the last mile, by entering into alliances and partnerships to expand our *'phygital'* presence across the length and breadth of the nation.

Growth Drivers

India continues to digitalise across sectors at an unprecedented pace. Various government initiatives, with sustained focus on economic stability, are expected to take India towards a desirable growth trajectory in the long run. Backed by fast digital adoption and steady technological advancements, India's IT & ITeS sectors hold an excellent promise for growth.

We believe Protean is well-placed to harness the transformative power of fintech to bridge gaps and foster financial inclusion across various strata of the communities. Our legacy, strengthened by favourable government policies, is enabling us to consistently impact over a billion lives and scale new peaks.

Strategic Priorities

Protean has been at the forefront of building Digital Public Infrastructure (DPI) and securely managing critical national databases for the past 28 years. Protean continues to empower billions with safe & secure DPIs across a host of diverse sectors, covering taxation, social security & digital identity. We have consistently maintained our leadership position in the market for over two decades, and are now uniquely poised to ride the next wave of multi-sector digitalisation supported by a strong policy framework. Over the last few years, as part of its strategic intent and in line with stated government thrust to create National Open Digital Eco Systems (NODES) across multiple sectors of the economy, the Company has expanded its sector reach to cover e-commerce, mobility, agriculture etc.

During the last year, these efforts have gathered considerable momentum with accelerated investments in people, products and technology; building Centres of Excellence in open source and open standard tech stacks. In line with its growth strategy, the Company is on course to diversify from 3 to 6 business verticals, leveraging core strengths and strong adjacencies to build on its competitive advantage. New stacks include, building on the identity stack to create innovations across Data & Allied Services, contributing to multi sector Open Digital Ecosystems at an infra and innovation level, and Cloud Services coupled with Information security consulting. Equally important has been the Company's focus on expanding its footprint to overseas markets and take the e-Governance Stack global.

The creation of 'Innovation layer' enables multiple participants to collaborate and foster innovation across the ecosystem. The comprehensive Reg-Tech Stack will help financial institutions to reduce risks & time to on-board customers, improve data accuracy and empower them to create seamless digital experiences. And with the launch of **Protean SurakshAA** (Account Aggregator Services), the Company is committed to drive economic empowerment and inclusion. These interventions are a testimony to our commitment to *build for the billions*. We now find ourselves poised to *build for the world!*

In continuation to our commitment to United Nations' Sustainability Development Goals (UN SDGs), the Company has implemented its Environmental, Social and Governance (ESG) Impact Policy at an enterprise level. We have seen widespread participation across the organisation with Impact Champions voluntarily spearheading continuous drives and campaigns for various social and environmental causes. I am delighted to inform that the Company has been awarded 'Gold Leaf' Certification by Aspire Impact basis a comprehensive evaluation on 250+ metrics covering Product, People, Planet and Policy.

Conclusion

"Exponential Change starts gradually, then happens suddenly" - Nandan Nilekani

Each change acts as an input to the next, leading to combinatorial innovation. Our new identity is in-line with the Company's vision of being a global leader of change and transformation. Protean remains committed to pioneering transformative technology that is collaborative, equitable, and democratises opportunity at population scale.

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

Best regards,
Suresh Sethi
Managing Director & CEO

Service Portfolio

Transformative Digital Services Enhancing A Billion Lives

Leveraging the enormous potential of financial technology to revolutionise the delivery of public services and enhance a billion lives, we provide universal, citizen-centric and innovative IT-enabled solutions across various economic sectors and diverse customer segments. Over the years, we have made a significant impact in the areas of tax modernization, social security and welfare, digital identity, and education and skill financing, among others and also served as a key contributor to various foundational Digital Public Infrastructure (DPIs) for Open Digital Ecosystems (ODEs).

Protean's e-governance solutions enable stakeholders to collect higher taxes, reduce frauds, enjoy information benefits and improve time, cost and resource efficiencies. With a differentiated digital approach, robust security architecture, and scalable infrastructure, we are continually making financial services more accessible, efficient, and responsive to the needs of a vast and diverse populace.

Existing business verticals

- Demonstrated capability at population-scale
- Significant headroom for steady growth
- Ring-fenced businesses and dominant position

New business expansion

- Competitive advantage
- Strong adjacencies
- Strong growth potential

Expansion into International Markets, promoting India's e-Governance stack globally

TAX MODERNIZATION SERVICES

Key Highlights for the year ending March 31, 2023

5+ Million

deductors filed TDS returns electronically

38+ Million

PAN applications processed

75+ Million

OLTAS Challans uploaded by Banks

TAX INFORMATION NETWORK (TIN)

To enhance tax payment, collection and management efficiency, we established and digitalised the Tax Information Network (TIN), in collaboration with the Income Tax Department (ITD) of India. Automating the assimilation of information regarding direct tax collected under various heads and furnishing of 'TDS cum Challan' for payment of TDS under different heads are some of the critical tasks performed through the TIN portal.

Our key project under the tax modernization services include Electronic Tax Deductible at Source (eTDS), enabling taxpayers to maintain an electronic tax ledger as well as facilitate a 360 degree view of the tax collected and deducted at source. We also process applications for the issuance of Tax Deduction and Collection Account Number (TAN), enable various tax collecting banks to easily upload their tax collection data across multiple branches, and have successfully set-up OLTAS, an online system for direct taxes management.

PAN Services

We have established and manage Permanent Account Number (PAN) service centres for processing, collection and verification of PAN card applications, under authorisation by the ITD and hold a leading market share of 48% in this segment.

SOCIAL SECURITY

Key Highlights for the year ending March 31, 2023

1.5 Million NPS /

12 Million APY accounts

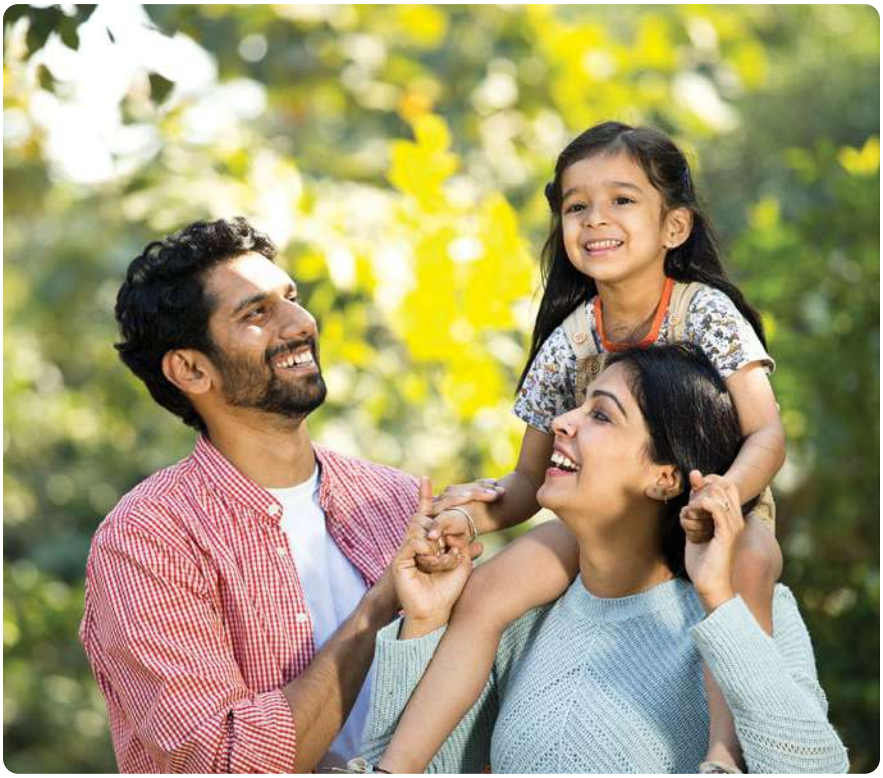
98%

Market share of NPS subscribers (Across all Sectors – NPS, NPS Lite & APY)

95%

Market share in pension wealth (Across all Sectors – NPS, NPS Lite & APY)

Connected with **8** banks and **4,088** branches to provide APY services



CRA for National Pension Scheme (NPS)

We serve as the Central Recordkeeping Agency (CRA) for the National Pension Scheme (NPS), since 2007. Aiming to extend the benefits of NPS at a population-scale, we conceptualised and implemented an online platform for registration and contribution to NPS. We have also developed and managed the IT infrastructure, administration and customer service functions for all NPS subscribers.

CRA for Atal Pension Yojana (APY)

We are the only CRA managing the APY infrastructure in India, a voluntary retirement saving scheme by the Government of India, administered by Pension Fund Regulatory and Development Authority (PFRDA).

DATA STACK

DIGITAL IDENTITY SERVICES

Key Highlights for the year ending March 31, 2023

277+ Million

Aadhaar authentication transactions

246+ Million

e-KYC transactions

101+ Million

e-Sign transactions

2.4+ Billion

PANs verified online

Aadhaar Authentication

Protean was appointed as a Registrar by the Unique Identification Authority of India (UIDAI) to facilitate Aadhaar registrations, Protean engages with the Aadhaar enrolment agencies to facilitate seamless enrolment of residents. Our Aadhaar authentication services are powered by a centrally stored database to enable automated real-time verification of an individual's identity. Seamless authentication of identity without any manual intervention enables residents to avail the multiple benefits provided by the government through the service providers.

e-KYC Services

We function as an authorised authentication agency providing comprehensive e-KYC services based on Aadhaar. The services enable electronic verification of customer credentials through the use of Aadhaar database. Our clients include government institutions and departments, banks and NBFCs, payment companies, and insurance companies.

e-Sign Services

e-Sign services enable electronic signing of documents in an easy, efficient, and secure manner, thereby eliminating the need for physical signatures. Critical for end-to-end digitisation of documentation and an step towards paperless operations, our e-sign platform streamlines and facilitates this procedure by offering a secure method for signing legally enforceable documents via reliable channels, regardless of location or device.

Online PAN Verification

On behalf of the ITD, we facilitate online verification of PAN by authorised investment advisors, approved by SEBI.

DATA SOLUTIONS

Protean provides services related to Digital Identity Services, KYC, Digital Customer Onboarding, Data Analytics Services to entities from BFSI and other sectors. Other services such as GSP/GVS services, ITR verification, MCA data verification, Employment verification among others would also be provided to complete the entire gamut of ID Verification & Data Analytics Services.

CREATION OF OPEN DIGITAL ECOSYSTEMS

Digital Stacks launched by GoI since 2010 across: Digital Identity | Digital Transactions | Digital Assets

e-Commerce

- India witnessing strong growth of E-commerce industry, driven by implementation of innovative technology
- E-commerce penetration in overall retail to be 11% by CY2027 with ONDC
- Potential to add 58 million users by 2027

Mobility

- Shared mobility demand driven by increasing urbanisation
- Open mobility network can help make urban mobility system more efficient

Healthcare

- Government focus on strengthening 'National Digital Health Mission' – planned outlay of ₹ 641 billion over the next 6 years
- Healthcare delivery market to reach ₹ 7.67 trillion by FY25

Protean enables Digital Public Infrastructure in providing open network for e-commerce & mobility solutions

Account Aggregator

- 3rd pillar of India Stack
- A framework coverage expected to triple in coming years
- Annual consents expected to reach 1 billion in CY 2025 and 5 billion in CY 2027 with broadening of ecosystem and new emerging use cases

Agriculture

- GoI push towards creating a Agristack framework to serve as foundation for innovative agro-focussed solutions

Education and Skilling

- Digital education industry is expected to grow at 30% -40% over next 3 years to reach a size of ₹ 500–560 billion

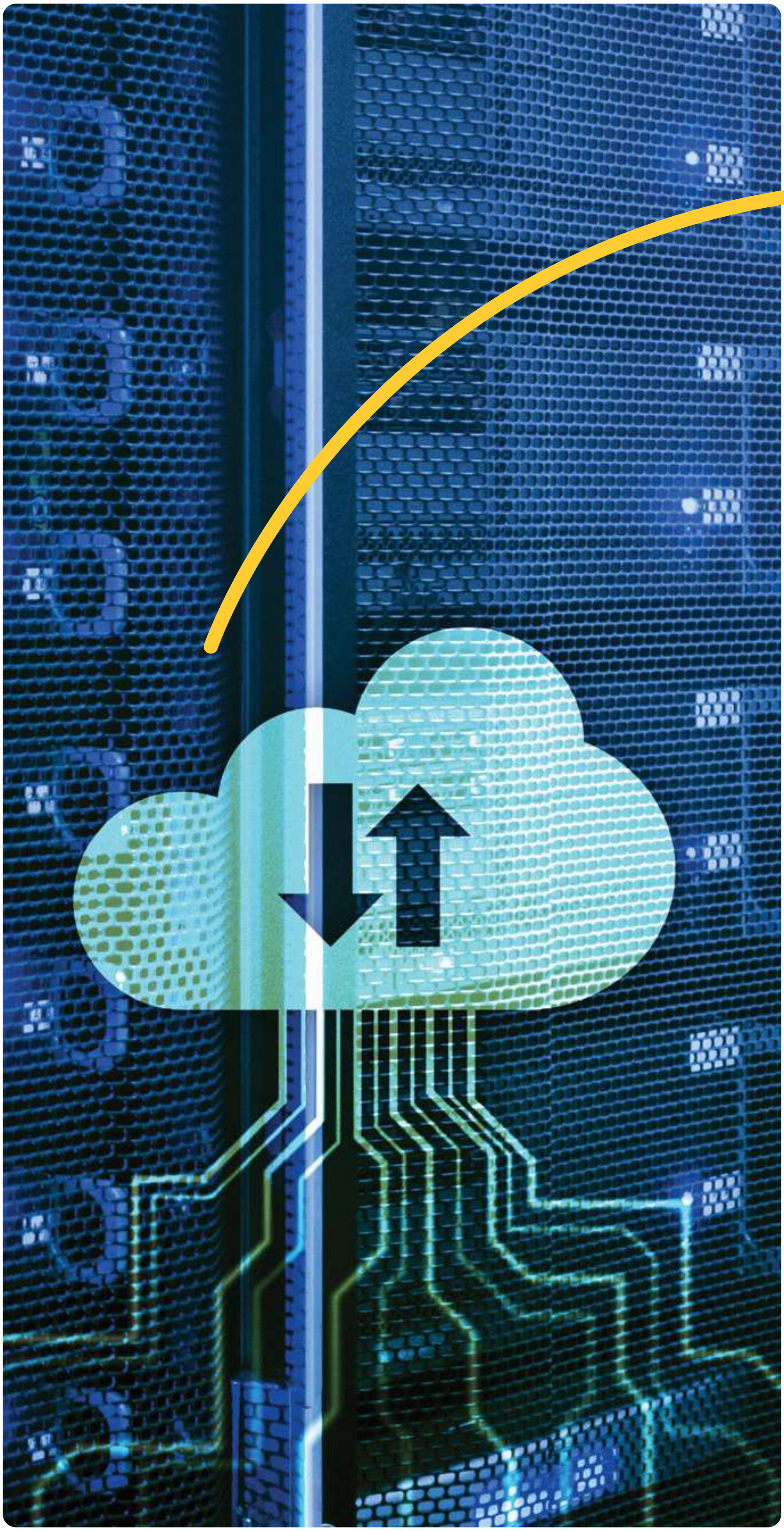
For more than two and a half decades, Protean has been at the forefront of building foundational digital public infrastructure for India. As the nation is evolving towards collaborative ecosystems, Protean has invested in building competence, capacity and IP in open source technologies. Protean is one of the key and early contributors to the open source community and protocols that are powering various Open Digital Ecosystems in India like Open Network for Digital Commerce (ONDC) and Kochi Open Mobility Network (KOMN).

CLOUD SERVICES – ENERGY-EFFICIENT MADE-IN-INDIA CLOUD SOLUTION

Protean brings vast experience in overseeing large-scale IT services, covering diverse tasks from data centres and system management to applications and customer support. Our cloud services, introduced in August 2022, extend this expertise to enterprises through 'Protean Cloud Services,' an AI-driven private cloud solution. This offering features cutting-edge infrastructure, robust security measures, and collaboration with Vigyanlabs Innovations Private Limited, an AI computing leader. Our services encompass Infrastructure-as-a-Service (IaaS) and Platform-as-a-Service (PaaS), with significant potential to expand among our corporate clients, especially in the BFSI sector.

CYBER SECURITY - INDIGENOUS CYBER SECURITY CONSULTING AND ADVISORY SERVICES TO MSMEs

Our Subsidiary, Protean InfoSec Services Limited, provides services in areas relating to cyber security consulting, advisory, and assessment services in the field of IT security. We intend to focus on the consulting and advisory service models in the cyber security industry. We intend to cater to government organisations and small and medium enterprises with services such as Gap assessment, development of effective cyber security strategies, design / strengthen security architecture, security assessment, audit and awareness training. We also intend to help establish robust governance, risk and compliance processes and necessary cyber security policy development. In addition, we propose to provide focussed consulting services for institutionalising data privacy practice for organisations handling personal and sensitive personal information.



INTERNATIONAL BUSINESS - TAKING THE INDIA E-GOVERNANCE STACK GLOBAL

Protean is a leader in establishing digital infrastructure and secure databases. Our broad IT/ITES expertise drives us to selectively explore offering services abroad, especially in Southeast Asia, Africa, and the Middle East. Our e-Governance solutions have potential in developing countries, enhancing efficiency across sectors. We propose solutions like National ID, Tax System (ITAS), Cloud services, Cybersecurity advisory, and Health Platform. We are recognised by the Ministry of External Affairs and the Ministry of Health for our capabilities.

We're evolving toward collaborative ecosystems, fostering 'Open Digital Ecosystems' across sectors like e-Commerce, mobility, healthcare, and education. Our commitment to open source tech is strong; we actively contribute to open digital building blocks. Protean envisions enabling inclusive technology solutions globally.

HOST TO KEY NATIONAL DATABASES

National Tax Identification

- 430 Million+ PAN – Single entity to onboard ~30% of population
- 7 Billion+ OPV and counting

Central Recordkeeping Agency for National Pension Scheme (NPS) and Atal Pension Yojana (APY)

- 56 Million+ NPS / APY subscribers
- All pensioners across 32 states
- Single entity to host APY pensioners

Education and Skill Finance

- 4.5 Million+ students registered
- 58+ Corporates

NEW VERTICALS. NEW PEAKS.

Cloud Services

Cyber Security Advisory Services

Open Digital Market Places

International Business

Conceptualised, developed and executed DPIs for Tax, Pension & Identity

Key contributor to foundational DPIs for Open Digital Ecosystems across diverse sectors:

KOMN: A first-of-its-kind open network mobility solution

ONDC: A network protocol for digital commerce, similar to UPI for online payments and HTTP for internet

Agristack: Open network for facilitating the delivery of digital services to farmers

Empanelled by GOI for international deployment of the open source CoWin code to augment Health infrastructure

Launch of indigenous cloud offerings and Cyber security advisory

Taking India's e-Governance stack to global markets

Board of Directors

Mr. Shailesh Haribhakti
Chairman and Independent Director
(Eminent Chartered Accountant)
(DIN: 00007347)

Mr. Abhaya Prasad Hota
Independent Director
(Former Managing Director & CEO of National Payments Corporation of India)
(DIN: 02593219)

Mr. Shailesh Kekre
Independent Director
[Former Managing Partner (HT & T, Technology & Consumer) McKinsey & Company]
(DIN: 07679583)

Mr. Lloyd Mathias
Independent Director
(Pan-Asia Business Leader, Marketer and Strategist)
(DIN: 02879668)

Mr. Mukesh Agarwal
Director
(Managing Director, NSE Indices Limited and NSE Data & Analytics Limited)
(DIN: 03054853)

Mr. Karan Bhagat
Director
[Managing Director - 360 One WAM Limited (formerly IIFL Wealth Management Limited)]
(DIN: 03247753)

Ms. Preeti Mehta
Additional Director (Independent)
Partner, Kanga & Co.
(DIN: 00727923)

Ms. Aruna Rao
Additional Director (Independent)
Former CTO, Kotak Mahindra Bank
(DIN: 06986715)

Mr. Suresh Sethi
Managing Director & CEO
Protean eGov Technologies Limited
(DIN: 06426040)

Mr. Jayesh Sule
Whole Time Director & COO
Protean eGov Technologies Limited
(DIN: 07432517)

Awards

'India's Best Company of the Year 2022' in India's Best IT Enabled e-Governance Service Company Category by Berkshire Media LLC, USA

Golden Peacock Award for Business Excellence 2022

Awarded for **Exemplary Services in CSR and Education** at the prestigious India Business Summit Awards 2022

Awarded the winner in the category of **"Innovation in Digital Infra"** at the Aegis Graham Bell Awards 2022

Corporate Information

MANAGEMENT AND LEADERSHIP TEAM

Mr. Suresh Sethi	Managing Director & CEO
Mr. Jayesh Sule	Whole Time Director & COO
Mr. Amit Sinha	Group Head - Social Security & Welfare
Mr. Dharmesh Parekh	Chief Information Officer
Mr. Milind Mungale	Chief Impact Officer *(upto June 16, 2023)*
Mr. Gopa Kumar T. N.	Chief Business Officer
Mr. Bertram D'Souza	Chief Product & Innovation Officer
Ms. Dipali Sheth	Chief Human Resources Officer & Impact Officer
Mr. Hiten Mehta	Group Head - Business Operations
Mr. Dattaram Mhadgut	Chief Technology Officer
Mr. Kapil Kapoor	Chief Risk & Compliance Officer
Mr. Metesh Bhati	Chief Digital Officer *(appointed w.e.f November 22, 2022)*
Mr. Gaurav Ramdev	Chief Marketing Officer *(appointed w.e.f June 1, 2023)*
Mr. Sudeep Bhatia	Chief Financial Officer *(appointed w.e.f January 9, 2023)*
Mr. Tejas Desai	Group Head - Internal Audit *(appointed w.e.f January 9, 2023)*
Mr. Maulesh Kantharia	Company Secretary & Compliance Officer

STATUTORY AUDITOR

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

SECRETARIAL AUDITOR

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

INTERNAL AUDITOR

M/s Deloitte Touche Tohmatsu India LLP
Chartered Accountants (up to FY23)

M/s Grant Thornton Bharat LLP
Chartered Accountants (from FY 2023-24)

BANKERS

IDBI Bank
HDFC Bank
Central Bank of India
Union Bank
Kotak Mahindra Bank Limited

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited

REGISTERED OFFICE

Times Tower, 1st Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013
Website: www.proteantech.in
E-mail: cs@proteantech.in
CIN: U72900MH1995PLC095642

IMPACT REPORT
TAX SERVICES
DATA STACK
SOCIAL SECURITY AND WELFARE
OPEN DIGITAL ECOSYSTEMS
CLOUD SERVICES
INFORMATION SECURITY CONSULTING

ESG at Protean

At Protean, we are committed to upholding the highest standards of Environment Social Governance (ESG). We recognise the importance of ESG as a business imperative and strive to build businesses that have a positive and lasting impact on the lives of all people.

To this end, we use advanced technology to create solutions that work in even the most complex situations, while protecting our stakeholders' interests, safeguarding the environment, and providing people with developmental opportunities. We also take it upon ourselves to manage ESG-related risks, leverage our knowledge, data, and resources to foster an inclusive society, broaden access to economic opportunities, and promote sustainability.

We are dedicated to remaining true to our core values in all of our ESG efforts, ensuring that our impact is felt both near and far.

Certificate of Impact

CORPORATE

ASPIRE

CERTIFIED
GOLD LEAF
IMPACT

CERTIFICATE OF IMPACT

AWARDED TO

Protean eGov Technologies Ltd.

Aspire Impact has successfully concluded an Impact Assessment for the period April '21 - March '22 and awards the company a "**Gold Leaf**".

The evaluation included 250+ metrics using our proprietary 4P framework (Product, People, Planet, Policy) to determine the company's overall impact.

Amit Bhatia
Founder & CEO, ASPIRE

Message from the Chief Impact Officers

Prioritising ESG Principles for Sustainable Progress

As Chief Human Resources and Impact Officer, I am proud to lead our company's efforts to Impact our stakeholders' lives positively. We strive to incorporate environmental, social and governance (ESG) principles into our culture and business practices, as we recognise that our success is linked to the well-being of our employees, customers, and the communities where we operate.

Our efforts to promote climate action measures will help reduce emissions, slow the rate of climate change and contribute to a cleaner environment, and improve healthier ecosystems.

By taking measures to reduce our carbon footprint, support sustainable sourcing, and focus on diversity and inclusion, we are committed to creating value responsibly and sustainably. We are also proud to collaborate with organisations that share the same commitment to ESG principles and support their efforts in generating positive change.

Our efforts to promote climate action measures will help reduce emissions, slow the rate of climate change and contribute to a cleaner environment, and improve healthier ecosystems. We believe in fostering an ecosystem that supports gender equality, parity and an inclusive workforce. Our values and team culture reflect our company's cultural ethos.

By continuing to prioritise our ESG initiatives and our commitment to building a sustainable organisation, we can make a meaningful difference in the lives of our stakeholders.

Dipali Sheth

Chief Human Resources and Impact Officer

Embracing Sustainability for a Promising Future

In today's business landscape, corporates have a business-driven and ethical imperative to prioritise sustainability. The key lies in embracing sustainability and swiftly and comprehensively executing actions to amplify the influence.

Our purpose is to shoulder the Environment Social & Governance (ESG) responsibility and foster best practices that align seamlessly with nurturing a workplace culture and ethics.

In Protean, we wholeheartedly embraced this commitment, positioning ourselves at the forefront of the race towards carbon neutrality and the realisation of our net-zero aspirations. By adopting sustainable practices, we contribute to the global community's betterment.

Our purpose is to shoulder the Environment Social & Governance (ESG) responsibility and foster best practices that align seamlessly with nurturing a workplace culture and ethics. We are ultimately enhancing human potential and fostering new avenues for individuals, businesses, and communities to prosper. Obstacles do not deter our Change Engineers; instead, they thrive on turning them into stepping stones towards success.

To transform the lives of billions through our agile and scalable reach, our efforts exemplify our ongoing pursuit of a promising and forward-looking shared future, a commitment we hold close to our organisation's vision. Empowering those who have been underserved is not just a goal, and it's a promise we are determined to achieve.

Together, we are sowing the seeds of positive impact, nurturing a world where progress and responsibility go hand in hand.

Thank you for participating in this remarkable journey towards a more sustainable future.

Milind Mungale

Ex. Group Chief Impact Officer

Our Theory of Change

INPUTS

- IT infrastructure for e-governance
- Single platform for citizen participation
- Online/offline public service accessibility
- Interface for financial inclusion
- Advocacy for social impact
- Overall economic growth

ACTIVITIES

- Partnership with UIDAI for undertaking eKYC and issuing India's first digital identity, Aadhaar to its citizens
- Partnership with the Income Tax Department to enable universal identification for collection and processing
- PAN applications and despatching PAN cards
- Partnership with CRA for asset management of NPS subscribers
- Single window for processing education loan applications with multiple banks and education funding through scholarship/grant
- Partnership with the CBDT to enable online tax collection & centralised record keeping through Tax Information Network (TIN) system
- Aadhaar-based eSign which facilitates the issuance of Digital Signature Certificates (DSC)

OUTPUTS & OUTCOMES

- Single digital identity for each individual
- Universal identification to all individual and judicial entities
- Financial security post retirement
- Accessibility to multiple education loans and scholarship options
- Increased user convenience in a paperless environment
- User-friendly electronic interface enabling direct tax collection and centralisation of tax-related information

IMPACT

- 91 million+ Individuals have access to various govt. financial schemes, subsidies and public services
- 6.2 million (B2C) & 8.8 million (B2B) customers served
- USD 78,540 million AUM for 42 million+ NPS subscribers
- 0.5 million+ loan beneficiaries
- 0.2 million+ scholarship beneficiaries

Impact Highlights

Pan India
presence

1.1+ million
Touchpoints

100%
Global presence for TIN (PAN)

9% increase
in YoY volume sold

6.2 million (B2C) & 8.8 million (B2B)
customers

28%
women employees

15% YoY
growth in Employees

420 hours
spent on building Community awareness

₹ 4,880 million
worth procurement from local sources

93% reduction
in YoY Energy Intensity

Zero
Ozone-depleting substances produced

25.21 MWh
Renewable Energy Generated

Zero tonnes
of hazardous waste sent to landfill

Zero
POSH Cases Reported

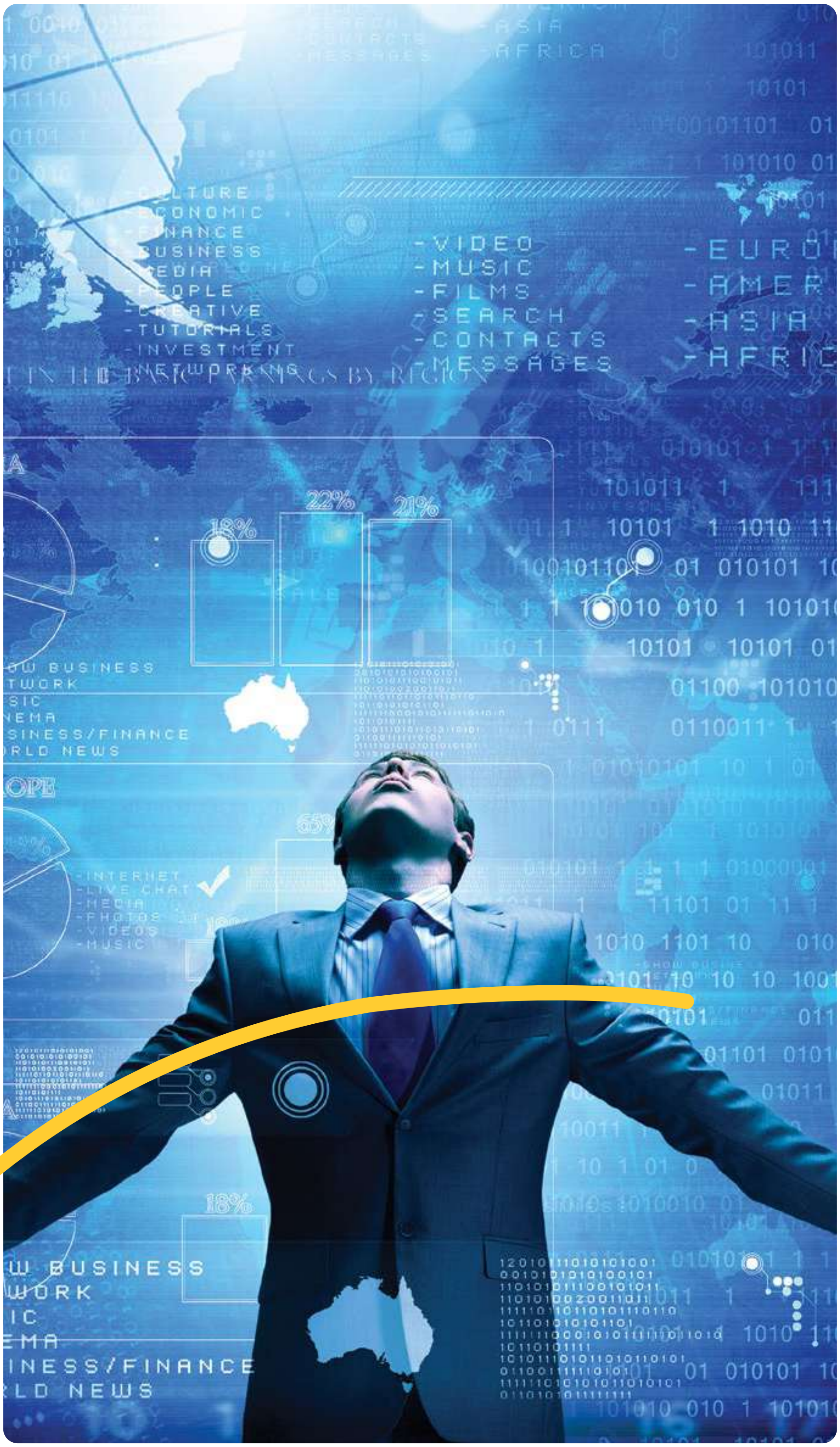
₹ 30 million
spent on CSR activities

Zero
Data Breaches

ESG, Sustainability, Impact
disclosures made regularly

OUR PRODUCT IMPACT: IMPACTING LIVES EVERYWHERE

Three Decades of Nation-Building



ENGINEERING CHANGE

Over the past decade, India has made substantial strides in achieving universal financial inclusion. Protean has significantly contributed to this by introducing e-governance infrastructure for issuing PAN cards, establishing a comprehensive financial transaction database. PAN cards serve as unique identifiers for individuals and entities in financial activities, enhancing tax compliance and reducing fraud.

This progress has led to digital inclusion through PAN or Aadhaar cards, with Protean playing a pivotal role in promoting economic growth, transparency, accountability, and overall development. Financial inclusion rates have improved, with higher savings in financial institutions, increased ownership of credit/debit cards, and a substantial rise in bank account ownership, partly due to government initiatives.

This growth in financial inclusion has enabled India to utilise digital identification numbers for social welfare programmes, resulting in substantial savings and effective disbursement of entitlements. Protean's e-governance capabilities extend beyond finance, contributing to healthcare and enhancing quality of life through IoT applications.

CONVERTING PROBLEMS INTO POSSIBILITIES

Undeniably, an educated and skilled population supports the economic development of a country. A population with higher levels of education produces more innovations, opportunities, technological advances, and more. Education reduces poverty and financial disparity and brings about equality in the population, thereby creating more engaged citizens.

India's literacy rate in 2021 was 74%; however, less than 30% of the population has gained primary school education, and less than 10% of the population has a graduate degree. The main reason students drop out is money – be it due to lack of accessibility or availability of funds within the family or from other sources.

Obtaining student loans in the past was a challenge for students due to a variety of factors, including:

- Lack of information and guidance: Poor access to comprehensive data about loan options and the application process.
- Strict eligibility criteria from lenders: Income levels, collateral, etc.
- High interest rates: Student loan interest rates have been historically high, making them unaffordable for many students and their families.

- Limited loan options: Students may have had limited loan options, especially those who attended schools in rural areas or were from low-income families.
- Loan application complexity: The loan application process can be complex, and students may struggle to complete it without help from a financial aid advisor or other knowledgeable people.

Protean has addressed the financial stress that students and their families face by introducing Vidya Lakshmi, an education loan programme designed by the Government of India to provide economic support to those seeking higher education, making it convenient to track loan status, submit applications, and pay back loans. Vidya Sarathi, an automated scholarship application system, further eases the process of applying for various scholarship programme by corporates through the portal. These initiatives have had a considerable social impact by granting access to higher education to those from less privileged backgrounds, which can bring about improved employment prospects and economic stability. Furthermore, Vidya Sarathi and Vidya Lakshmi have increased transparency, facilitated obtaining an education fund, reduced paperwork for students, and provided financial aid to pursue studies.

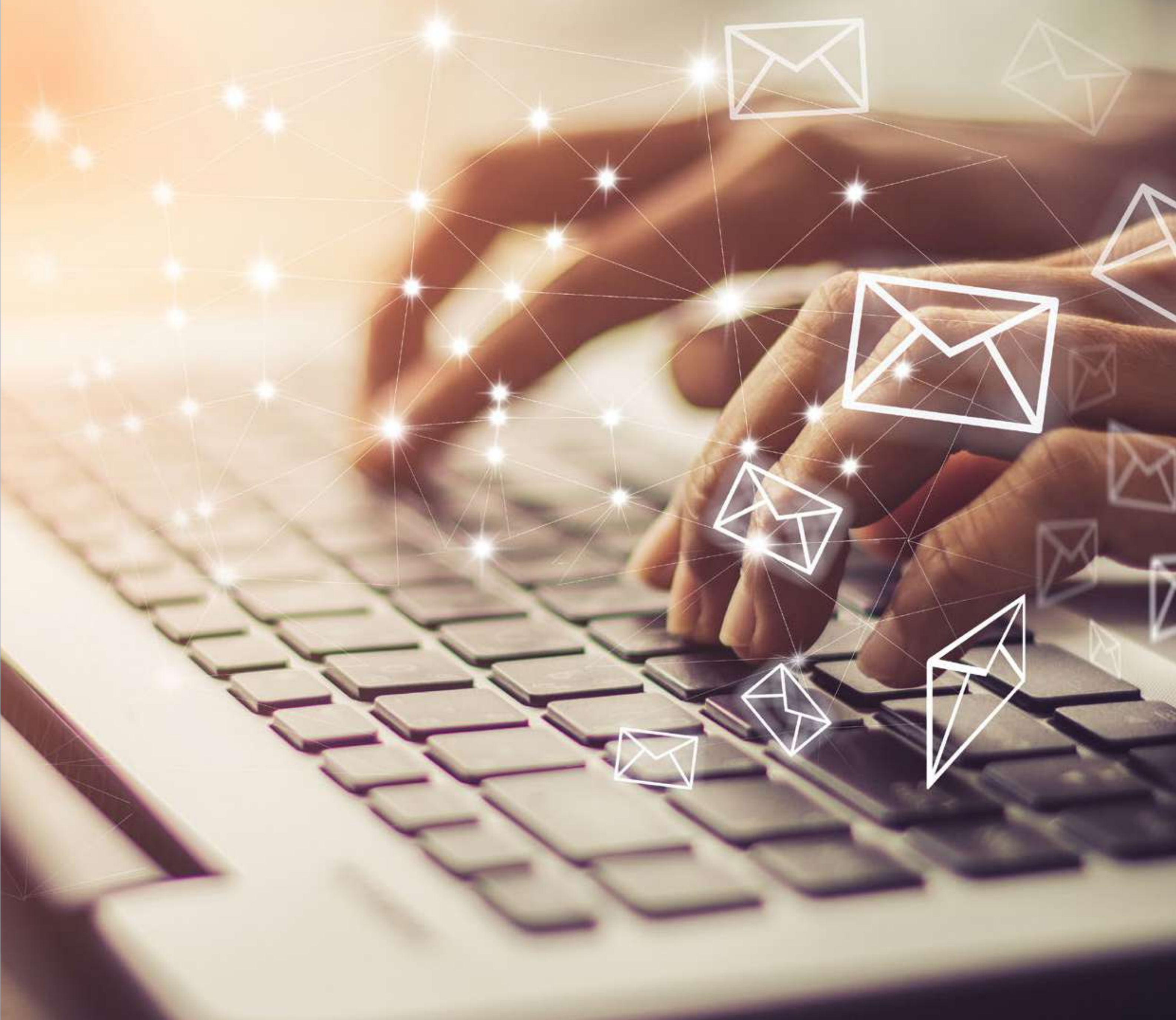
UNLEASHING THE UNTAPPED

Taxpayer Identification Number (TIN) services are essential tools for revenue generation and the efficient functioning of a country's tax system. Protean has enabled several businesses to obtain a TIN, thereby increasing tax collection.

Given this process and infrastructure success, Protean is poised to take this product globally, especially to third-world countries, where resources and infrastructure may be limited. Such countries will benefit from Tax and TIN services by begetting increased revenue by implementing a robust and efficient tax system. It will also enable them to fund critical public services such as healthcare, education, and infrastructure development.

Protean's e-governance infrastructure has enabled auditability by making it progressively more difficult for individuals and businesses to evade taxes or use fake identities. It also promotes transparency by providing more accurate information on the income and assets of individuals and companies, which can help to battle money-laundering and other financial crimes.

Protean's infrastructure can also be leveraged for healthcare systems in countries enabling the digitalisation of healthcare records, improving data management, reducing errors and increasing security. It can also help increase transparency and accountability in healthcare operations by making information more easily accessible to patients and healthcare providers. Access to healthcare services can also be improved by providing real-time information on patient's health status and medical history. It can help healthcare providers make more informed decisions, which will streamline operations by automating processes, such as appointment scheduling and medication tracking and billing.



OUR PEOPLE IMPACT: THE CHANGE ENGINEERS

Life in the Day of Protean

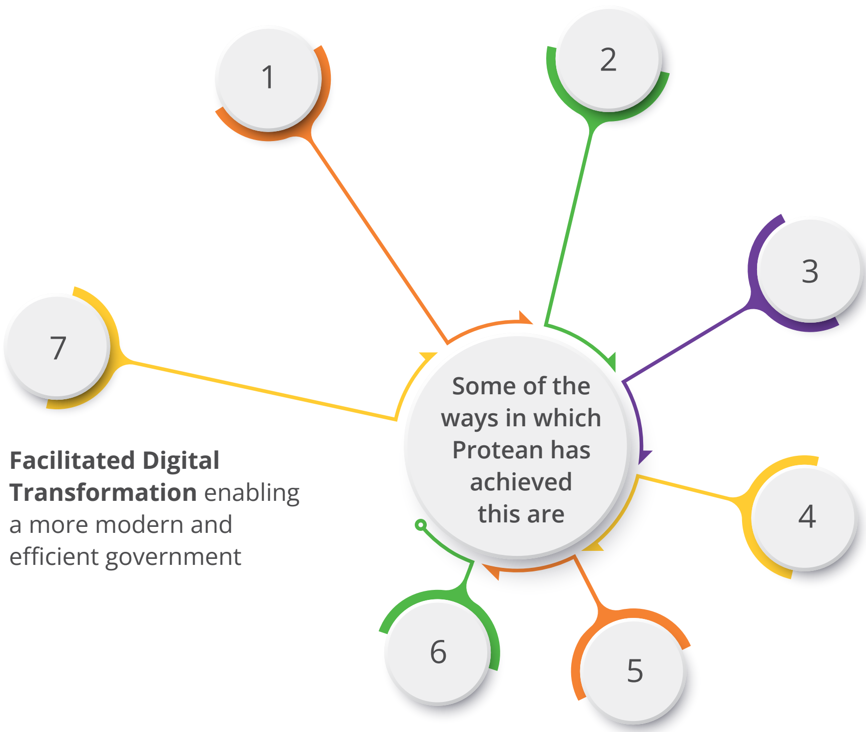
IMPACTING EVERY DAY; IMPACTING EVERYONE

Since its inception 28 years ago, Protean has been a pioneer in creating Digital Public Infrastructure (DPI) and population-scale eGovernance technology that has empowered billions of citizens. Our technology interventions span across diverse sectors, covering taxation, social security & digital identity and have contributed towards ease of doing business, promotion of financial & social inclusion and ease of living.

Protean is credited with building the modern Digital Tax Infrastructure and ushering in digitalisation of tax payment and collections. Today, Protean serves as the largest service provider for India's Digital Tax Identity - PAN Cards. Protean further evolved and diversified to bring Govt's vision of securing pension for every citizen to life. Protean built India's first Digital Pension Infrastructure and serves as India's largest Central Record-keeping Agency (CRA) for the National Pension System (NPS) & the exclusive Central Record Keeping Agency for Atal Pension Yojana (APY) - a govt-backed pension scheme for the unorganised sector. With one of the largest network of facilitation centres, Protean serves India's Digital Stack by adopting a differentiated service framework through an end-to-end assisted model.

Improved Service Delivery by enabling the government to deliver services to citizens more efficiently and effectively through the use of technology

Improving convenience for citizens to access and use various financial and government services, as they can now be done online, reducing the need for physical visits to government offices



Promoting Financial Inclusion by making financial services accessible to more people, especially those in remote and underserved areas

Interoperability is a key feature of the India Stack, enabling various services to seamlessly collaborate. This design allows citizens to access a diverse array of services offered by different providers, all using a unified digital identity. As a result, the necessity of creating distinct identities for each service is reduced.

Facilitated Digital Transformation enabling a more modern and efficient government

Increased accessibility by providing online platforms for the delivery of loans and scholarships, especially for citizens in remote and underserved areas

Increased Transparency through an auditable and secure platform for the delivery of government services thereby improving the credibility of government services

MAKING A MEANINGFUL DIFFERENCE

At the heart of our efforts lies our esteemed employees, embodying high performance and customer-centric values. We empower our workforce to prioritise customer needs, consistently aiming to deliver optimal outcomes.

Protean's mission revolves around creating a positive impact in the lives of our customers through our products and services. Numerous instances highlight our employees' commitment to surpass expectations, ensuring remarkable customer experiences. Presented below are a selection of testimonials that showcase our dedication to making a meaningful difference.

IMPACT, INFLUENCE & LIVELIHOODS

Protean highly values its workforce, acknowledging their unwavering dedication to both the company and its customers. This commitment is evident in our remarkably low staff attrition rate and high satisfaction levels. Our employees have been instrumental in our achievements, driving transformation and progress. We foster a culture of inclusivity, equality, and respect, ensuring a diverse workforce that feels esteemed.

Championing human rights, Protean invests in employees with fair compensation, benefits, and safe working conditions. We assess the outcomes of our practices on employees, customers, and communities to ensure their welfare. Initiatives for leadership development, particularly for women, are central to our specialised programmes. Our focus on inclusivity is manifested in flexible work arrangements and training initiatives that enable women's participation in the digital economy.

Our commitment to staff, diversity, and equal opportunities propels our competitiveness and enduring success. Investing in our employees through training and leadership initiatives is intrinsic to our triumph. Our goal is an environment where everyone thrives and contributes to our collective accomplishments.

Highlighted below are employee stories that exemplify how their lives have been positively influenced and impacted during their journeys with Protean.

Kamalam's Story

Mrs. Kamalam Venkatesan
Vice President – Social Security and Welfare Department

I embarked on a new journey in 2000 when I left my small hometown in south India and moved to Mumbai, the City of Dreams. This journey marked the beginning of my married life and my first foray into the corporate world with Protean.

Fast forward to today, and I can proudly say that I have achieved success in my personal and professional life - I am now a Vice President at Protean and have a loving family. The journey of the past 21 years has been an incredible one - full of ups and downs but also full of beautiful memories.

Over time, I've taken on various roles and experienced personal growth. The journey helped me to handle unexpected situations, improve relationships, and boost my confidence. **While initially scared of the new environment and people in Mumbai, the support of the Protean family and those around me helped me overcome my fears.**

The past two decades have provided invaluable knowledge and experience, making me an expert in my field. I've internalised Protean's strong ethical principles, benefiting both my personal and professional life. **Opportunities for growth and recognition at Protean have helped me overcome fear and insecurity, leading to my current position.**

Thanks to Protean, I've maintained a healthy work-life balance and spent quality time with my family. Financial growth and security have been beneficial, and I'm thankful for that. Enjoyable workdays were facilitated by a positive work environment, team building activities, and leadership programmes. Protean also organised picnics and parties that created wonderful memories with my family. **I'm grateful for the opportunities and support provided during my 21 years as part of the Protean family.**

Strengthening Communities

Protean views community development as an integral part of corporate social responsibility (CSR). Our commitment extends beyond mere compliance, driving us to engage in diverse CSR endeavours. These include extending financial aid to local organisations, investing in education, fostering employment opportunities, and promoting volunteerism and donations.

Protean takes a hands-on approach to community engagement, forming volunteering groups for various activities like environmental clean-ups, afforestation projects, and blood donation drives. These initiatives extend a helping hand to the underprivileged, uplifting staff morale and enhancing customer service quality.

Through our CSR initiatives, we have cultivated a dynamic team of employees who are dedicated to their work for societal betterment.

Our Key Initiatives

Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan

For the past 25 years, Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan has been actively promoting education and employment enhancing vocation skills to improve the quality of life of individuals in Aurangabad and its surrounding rural areas, particularly children, women and the differently-abled.

Under this initiative, to bridge the digital divide and make learning more accessible to those in need, we have donated our functional PCs and laptops to rural schools for vocational training centers. This donation will provide access to technology and create the possibility of e-learning and digital support, helping to bring about meaningful change and provide a much-needed boost to disadvantaged people.

Residential schools' programme

Matimand Niwasi Vidyalay (AMNV), Apang Yuvak Swayam Sahayata Kendra (IBKNV), and Karna-Badhir Niwasi Vidyalay (RAYSSK) are residential schools that provide support to mentally challenged children, hearing impaired tribal children, and students seeking vocational skills.

The Trust covers all expenses, but it does not have enough funds to cover recurring expenses and salaries of staff and teachers. The proposal is that the Trust seeks funds to hire special educators, pay salaries of teachers, and provide training. The objective is to promote effective skill development, provide better facilities, and enhance the quality of education. The impact is that with specialised educators and skill enhancement training, students become self-resilient and independent, and the basic needs of underprivileged students are addressed, leading to an improved quality of life for all.

OUR PLANET IMPACT: A TODAY THAT INCLUDES TOMORROW

Our Climate Ambition

In 2021, Protean declared its Net Zero Goal to eliminate all greenhouse gas emissions and comply with the Paris Agreement to maintain global average temperatures at 1.5 degrees Celsius. To fulfil this goal, we have implemented several proactive measures. We have replaced inefficient equipment with modern, energy-efficient models, installed insulation and other energy-saving technologies such as motion sensors, CFL bulbs etc. We are transitioning to renewable energy sources and investing in energy storage systems to help balance the grid. To ensure success, we have created an environmental management plan that monitors our emissions and sets targets for reducing them. We are confident that Protean will reach its Net Zero Goal with these measures.

Going forward, we are planning to invest in various projects to ensure we are doing our part in preserving our natural environment. These projects will work to restore and preserve the environment, such as planting trees, improving the land, and protecting animal habitats. We want to make sure our employees are also doing their part to help the environment, so we plan to launch initiatives to educate and encourage them to participate in carbon reduction activities. Investing in nature-based solutions and engagement initiatives will help us reduce emissions and improve our natural environment.

Our objective is to ensure our actions align with our commitment to sustainability. We will provide resources to our employees, such as information about carbon reduction activities, and reward those who make personal efforts to reduce their carbon footprint.

We are determined to make a lasting impact on the environment and empower our stakeholders to join us in our commitment to a healthier and more sustainable future. Our Impact Report will provide an in-depth look at our mission, the initiatives we have taken, and the successes we have achieved. We will use this platform to communicate our progress and engage our audiences in our quest for a greener tomorrow. Our ambition is to use our resources and expertise to create positive change and be a leader in the fight against climate change. We are also helping our clients use our services – such as data, digital engineering, cloud migration, and IoT – to measure, manage, and reduce their own operational footprints.

Operational Sustainability

E-WASTE

As electronic devices become outdated, e-waste is becoming an increasingly concerning issue. Protean is dedicated to making a beneficial contribution to e-waste management. To uphold this commitment, Protean has developed an e-waste management policy, which is the company's initial step towards taking responsibility for the safe disposal of e-waste.

Protean is dedicated to diminishing the amount of e-waste that ends up in landfills and is implementing measures to ensure that electronic waste is recycled and repurposed in an ethical manner. This includes encouraging stakeholders to donate their old electronic devices to Protean for recycling, offering complimentary pick-up services for e-waste, and providing guidance on responsible e-waste disposal.

Protean collaborates with certified vendors to ensure that e-waste is gathered, recycled, and disposed of in an eco-friendly and secure manner. The company's efforts are having a positive impact on e-waste management by reducing the need for the production of new materials.

WATER CONSERVATION

Protean is proud to announce that, we managed to monitor the water usage and consumption. This was the result of a range of water-saving tactics that we implemented. We installed low-flow faucets and other water-saving technology to reduce water usage. To go along with this, we ran a comprehensive water-saving campaign directed at our employees. This campaign educated on simple ways to conserve water, such as taking shorter showers and using less water when washing dishes.

These initiatives and our commitment to continued water conservation enabled us to achieve this huge reduction in water consumption. We remain dedicated to continuing these practices and further reducing our water consumption in the future.

WASTE SEGREGATION

Protean is committed to reducing the environmental impact of waste and promoting sustainability. We strive to reduce the amount of waste produced, reuse and recycle where possible, and ensure that all waste is responsibly managed. By implementing these measures, we are helping to ensure that waste is managed responsibly and sustainably and that our products and services have the smallest possible environmental impact.

Our comprehensive waste management system includes separate wet and dry waste collection, sorting, segregation, and storage. Wet waste is collected, transported to an approved composting facility, and processed into organic fertiliser. Dry waste is sorted and recycled as much as possible, and the remaining non-recyclable waste is sent to an approved landfill. We also ensure that all our waste is handled in accordance with the requirements of local and state laws and regulations.

We have developed a comprehensive waste management plan encompassing our business and operations. This plan includes strategies to reduce waste from our operations, reuse and recycle materials, and properly dispose of hazardous materials.

OUR POLICY IMPACT: EFFECTIVE GOVERNANCE

Our Committees

CODE OF CONDUCT COMMITTEE

The Code of Conduct Committee is committed to ensuring that everyone feels safe and respected at Protean. They also believe strongly in creating an atmosphere where people feel comfortable reporting incidents without fear of repercussion or shame in any way whatsoever. They also have access to a reporting system through which they can accept anonymous reports.

ESG COMMITTEE

The ESG committee is for environmental sustainability, governance, and other issues of corporate responsibility. The committee was created to promote environmental sustainability, improve corporate governance, and create a plan for reducing carbon emissions. The committee will also meet with stakeholders and research other companies' plans on these issues.

POSH COMMITTEE

The purpose of the committee is to create an environment where everyone feels safe and comfortable reporting any incidents of sexual harassment. The POSH committee works much like any other departmental committee; however, it is specifically focussed on preventing sexual harassment in the workplace. Members are appointed by management from different departments, and they are volunteers from different teams within the organisation.

CSR COMMITTEE

The committee (short for Community Service and Rural Development) is a group of employees who are committed to supporting local businesses and communities. We have members from every area of the company, with backgrounds in finance, marketing & sales. Our committee meets on a regular schedule to discuss ways we can help our community. We have started donating Old Laptops to NGOs.

Corporate Governance

Protean Management is committed to upholding the highest corporate governance and business ethics standards. Our Board of Directors sets the tone for our corporate governance policies, designed to promote the company's and its stakeholders' long-term success. We strive to ensure that our corporate governance practices are consistent with the highest standards of integrity and accountability. We recognise that our business activities and decisions have potential implications for our stakeholders and the environment and are committed to mitigating any negative impacts.

We also ensure that our supply chain is free from exploitation or human rights violation and that our employees and contractors are treated with respect and dignity. We are committed to corporate social responsibility and environmental, social, and governance (ESG) matters. We have developed several policies and procedures to ensure we meet our ESG goals and objectives and act ethically and responsibly. We are dedicated to creating long-term value for our shareholders, customers, and employees through good corporate governance.

Our Sustainable Development Goals (SDGs) Alignment

1 NO POVERTY
High impact programmes accessible to all through our inclusive business model

2 ZERO HUNGER
Providing mid-day meals to children

3 GOOD HEALTH AND WELL-BEING
Ensuring the health & safety of the workforce and extending healthcare policies to family members, promoting community health care through CSR activities

4 QUALITY EDUCATION
Access to education for students from lower income groups through education loans and scholarship programmes

5 GENDER EQUALITY
25% women representation in the permanent workforce and 33% in contractual employment

7 AFFORDABLE AND CLEAN ENERGY
Implementing green energy supporting energy-efficient cloud technology

8 DECENT WORK AND ECONOMIC GROWTH
Build capacity and capability for financial inclusion, access to education for all sections of society

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Continuous product innovation and infrastructure design upgradation

10 REDUCED INEQUALITIES
Ensuring pay parity across levels

11 SUSTAINABLE CITIES AND COMMUNITIES
Employment reservation for local communities

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Providing customers with sustainable products, services and solutions

13 CLIMATE ACTION
Developing a robust carbon strategy that reflects our mitigation plan

15 LIFE ON LAND
Digital product, therefore lower dependence on natural resources

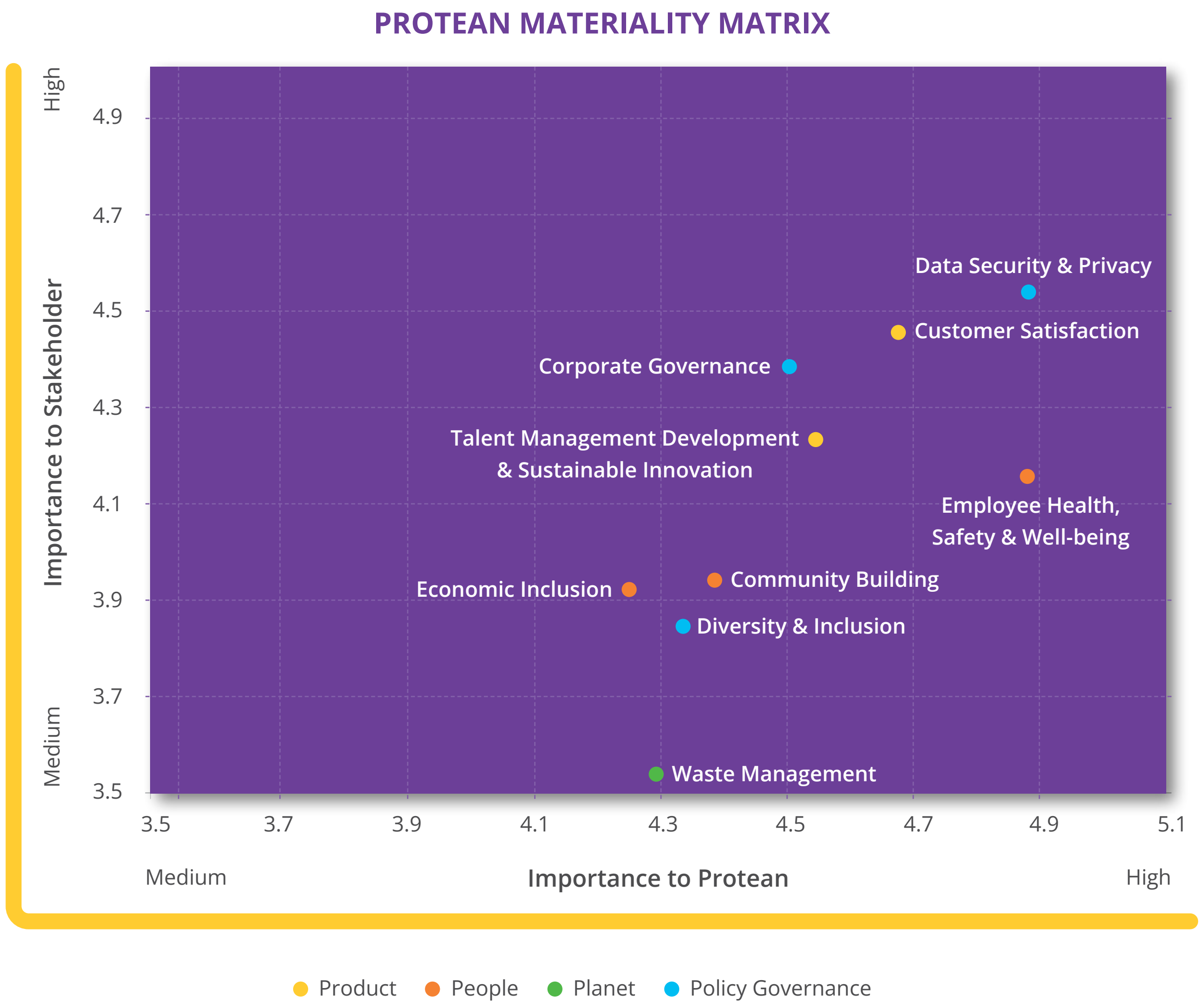
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Good governance practices

17 PARTNERSHIPS FOR THE GOALS
Partnership with GoI as a digitisation enabler

Materiality Matrix

We have conducted a materiality assessment internally to identify and prioritise key issues that are of utmost importance to our business and stakeholders. We have made significant progress in some of these areas in the past and will continue to do so in the future.

Though these issues are related to our business, they have a potential impact on the environment, society and governance at large. We will build our business activities to address and focus on these areas.



Comprehensive Impact Assessment Methodology

IMPACT ASSESSMENT METHODOLOGY

Aspire uses their proprietary 4P framework to assess an organisation's impact across Product, Planet, People and Policy. These are further broken down into 13 categories, with more than 160+ metrics collected and analysed. We award companies a specific rating on impact, based on the overall outcome of the impact assessment.

Our Assessment Procedure

Review materiality and context of the company based on their sector and stage. Collect data to feed into Aspire's proprietary 4P impact assessment framework. Sample testing to verify data and information provided. Interviews with senior leadership to understand risks and opportunities from an impact perspective. Development of a 4-level impact tree (waterfall assessment) to be shared with the company for internal use – outlining their current score at the level of 160+ KPIs and aggregated until we reach an overall impact rating. We also provide a list of recommendations to clients to enhance their impact. Development of an impact report, which the company may share with external audiences.

Our Ratings

Our four-point rating system (Green Leaf, Silver Leaf, Gold Leaf and Platinum Leaf) provides all stakeholders with an objective, third-party assessment of the company's impact. It also provides an empirical and aspirational improvement roadmap for companies to prioritise their efforts and address key areas of Impact to improve their Ratings in subsequent years.

ASPIRE™ CERTIFIED GREEN LEAF IMPACT	ASPIRE™ CERTIFIED SILVER LEAF IMPACT	ASPIRE™ CERTIFIED GOLD LEAF IMPACT	ASPIRE™ CERTIFIED PLATINUM LEAF IMPACT
>1.0	>1.5	>2.5	>3.5
Green	Silver	Gold	Platinum

Directors Report

Dear Members,

Your Directors are pleased to present the Twenty-Eighth (28th) Annual Report together with the Audited Financial Statements of the company for the financial year ended March 31, 2023.

1. FINANCIAL SUMMARY
1.1 PERFORMANCE AT A GLANCE

(₹ in Millions)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Income	7,829.10	7,697.11	6,521.51
Expenditure	6,237.20	5,673.39	5,189.91
Depreciation and amortisation expense	182.80	168.40	172.80
Profit before Tax	1,409.30	1,855.32	1,158.80
Profit after Tax	1,075.70	1,438.87	924.60
Net worth	8,581.40	7,886.89	6,683.01
Earnings Per Share	-	-	-
Basic (₹)	26.63	35.77	23.08
Diluted (₹)	26.61	35.73	23.06
Dividend paid/ proposed (%) (Face Value – ₹ 10 per equity share)	100%*	100%	440%**

** Proposed*

*** Including Special Dividend of 350%*

During FY 2022-23, Revenue from operations stood at ₹ 7,417.40 million as compared to ₹ 6,909.09 million in the previous year. The Profit After Tax (PAT) during the year was ₹ 1,075.70 million as compared to ₹ 1,438.87 million in previous year. The company has made provision for Tax of ₹ 333.60 million (Current Year Tax). No amount is proposed to be transferred to reserves.

Revenue

Revenue from operations stood at ₹ 7,417.40 million in 2022-23 compared to ₹ 6,909.09 million in 2021-22, registering a y-o-y growth of 7.36%. The growth was primarily attributable to increase in PAN, CRA activities and ID (eSign) services business volumes.

Expenses

The total expenses (including depreciation and amortisation expenses) of the company stood at ₹ 6,420 million in 2022-23 compared to ₹ 5,841.79 million in 2021-22, registering a y-o-y increase of 9.89%. The increase was primarily due to increase in salary cost.

Profitability

Profit before tax

The company's profit before tax stood at ₹ 1,409.30 million in 2022-23 compared to ₹ 1,855.32 million in 2021-22.

Profit after tax

The company's profit after tax stood at ₹ 1,075.70 million in 2022-23 compared to ₹ 1,438.87 million in 2021-22.

1.2 DIVIDEND

The Board of Directors have recommended a dividend of 100% i.e. ₹ 10/- per equity share (on the face value of ₹ 10 each) for FY 2022-23 for consideration of the Shareholders. The dividend distribution would result in a cash outflow of ₹ 404.21 million (approx.) (Pay-out ratio of 37% approx.).

2. MANAGEMENT DISCUSSION AND ANALYSIS

A. GLOBAL ECONOMIC REVIEW

The year 2022 saw challenges such as the Russia and Ukraine war, inflationary pressures and resurgence of COVID-19 in China. These factors impacted the economic growth trajectory in 2022, and is expected to impact the growth of the global economy in 2023 as well. The global growth in 2022 is estimated to have slowed down to 3.4% in 2022 compared to 6.2% in 2021. However, the second half of the year saw nascent signs of recovery of the global economy. The emerging markets and developing economies are estimated to have grown their gross domestic product (GDP) at an average of 4.0% in 2022 compared to 6.9% in 2021. On the other hand, the advanced economies are estimated to have grown at an average of 2.7% in 2022 compared to 5.4% in 2021.

With the escalation of the Russia-Ukraine war, there was a global trade disruption. Further, prices of gas, fuel and food increased, translating into rising inflation. The global consumer prices in 2022 are estimated to be 8.7%. Of this, the inflation for emerging economies and advanced economies are estimated at 7.3% and 9.8% in 2022, compared to 3.1% and 5.9% respectively in 2021. However, with the focus of Governments across the world on securing global disinflation, containing the resurgence of COVID-19, ensuring financial stability and restoring debt stability, the world is expected to stabilise in 2024 with a GDP growth of 3.0%, before dipping slightly in 2023 with a GDP growth rate of 2.8%. The policy initiatives are expected to stabilise the global economy in the long run, and successfully reduce global inflation to 7.0% in 2023 and further to 4.9% in 2024.

(Source: WEO April 2023)

B. INDIAN ECONOMY REVIEW

The inflationary pressure across the world has also impacted the Indian economy. As per its second advance estimates, the Government estimated the Indian economy to grow by 7.2% in 2022-23 compared to 9.1% in 2021-22. The year also witnessed rising power, fuel and food costs. The Consumer Price Index (CPI) of India was estimated at 6.7% in 2022-23, compared to 5.5% in 2021-22. The target range for inflation was fixed at 4% with an upper tolerance of 6%. However, between April and October 2022 the CPI was outside the target range set by the Centre. To bring inflation under control, RBI increased the policy repo rate under the liquidity adjustment facility (LAF) by 250 basis points from 4.0% to 6.50% during 2022-23. Additionally, the Government cut down import duty on major inputs such as ferronickel, coking coal, among others to zero; rolled out phase-wise reduction in excise duty of petrol and diesel; waived off customer duties on cotton; and prohibited export of wheat. This coupled with strong credit growth in the country has enabled the Indian economy to sustain its position as the fastest-growing economy in the world. Aggregate bank deposit and credit during 2022-23 was estimated at 9.6% and 15% respectively, compared to 8.9% and 9.6% during 2021-22.

With the increasing thrust of the Government on infrastructure and capital expansion and strong credit growth, the country is poised for sustained growth in the foreseeable future. The Union Budget 2023-24 speaks volumes of the Government's increasing focus on infrastructure, financing new businesses, and making India more self-reliant and self-employed. The GDP growth of the country in 2023-24 is projected at 6.5%.

(Source: IMF, PIB)

C. INDUSTRY OVERVIEW

Indian IT and ITeS sector

IT and ITeS sector is one of the major contributors to the gross domestic product of India, and one of the largest employment generation sector. Especially, post the COVID-conundrum, the significance of IT and ITeS sector has grown notably. The sector carved a share of 7.4% of the Indian GDP in 2021-22, and is projected to reach a share of 10% by 2025. During the fiscal, the IT sector is estimated to have generated 2.9 lakh new jobs, and taken the industry's total workforce tally to 5.4 million people. Of this, the country has a strong share of 36% digitally-skilled workforce. Owing to this reason, the Indian IT industry has a robust talent pool, standing tall as the second largest in terms of AI/ML, and third largest in terms of installed base of cloud professionals. Additionally, the country also added 1.4 lakh women to its IT sector workforce during the fiscal, taking the total count to more than 2 million.

With the largest internet user base and the cheapest internet rate in the world, India has potential in the IT and ITeS sector. India is one of the countries with the quickest pace of digital adoption, which was accomplished through a mix of government action, commercial innovation and investment, and new digital applications that are already improving different forms of work, thereby impacting the day-to-day lives of people positively. India climbed six places to rank 40th in the 2022 edition of the Global Innovation Index (GII).

Sector	2023E* ($/bn)	2022 ($/bn)
IT services	125	116
BPM	47	44
ER & D	40	36
Software products	14	13
Hardware	18	17
Total	**245**	**226**

According to NASSCOM, the Indian IT industry revenues stood at US$ 226 billion in 2021-22, growing at a y-o-y growth of 15.5%. Further, the country's IT industry revenues in 2022-23 is estimated at US$ 245 billion in the 2022-23, clocking a y-o-y growth of 8.4% on a y-o-y basis. Of this, the highest revenue is carved by IT services, which is estimated at US$ 125 billion in 2022-23 compared to US$ 116 billion in 2021-22. The growth in IT sector revenues is largely driven by growing IT exports. India's export revenue in the IT sector is estimated at US$ 194 billion in 2022-23, growing at 11.4% y-o-y.

Driven by cybersecurity, AI, cloud, and other emerging technologies, the Indian IT sector is projected to reach US$ 500 billion by 2030.

(Source: NASSCOM)

D. GROWTH DRIVERS

Increasing population: With a population of 1.4 billion in 2022, India stood as the second-largest populous country in the world. The rising population has been consistently driving the demand for e-governance solutions in the country.

Rising disposable incomes: The per capita net national income in India is estimated to have increased from ₹ 1,48,524 in 2021-22 to ₹ 1,72,276 in 2022-23 at current prices, thereby, indicating the growing ability to spend.

Increasing urbanisation: With the increasing urbanisation in India, and the proportion of population residing in urban locales by 2035 projected at 43.2%, the demand for e-governance solutions is expected to be on the rise.

Rising internet penetration: The internet user in India at the start of 2023 stood at a whopping 692 million in 2022, with an internet penetration of 48.7%. This has been consistently driving the demand in the IT and ITeS sector in the country.

Digital adoption in the financial sector: Digital adoption has been on the rise in India since the past few years on the back of the incremental focus of the Government on financial inclusion through digital route. India took the lead with the fintech adoption rate of 87%, substantially higher than the global average of 64% as per the Global FinTech Adoption Index. This has been driving the demand in the IT and ITeS sector.

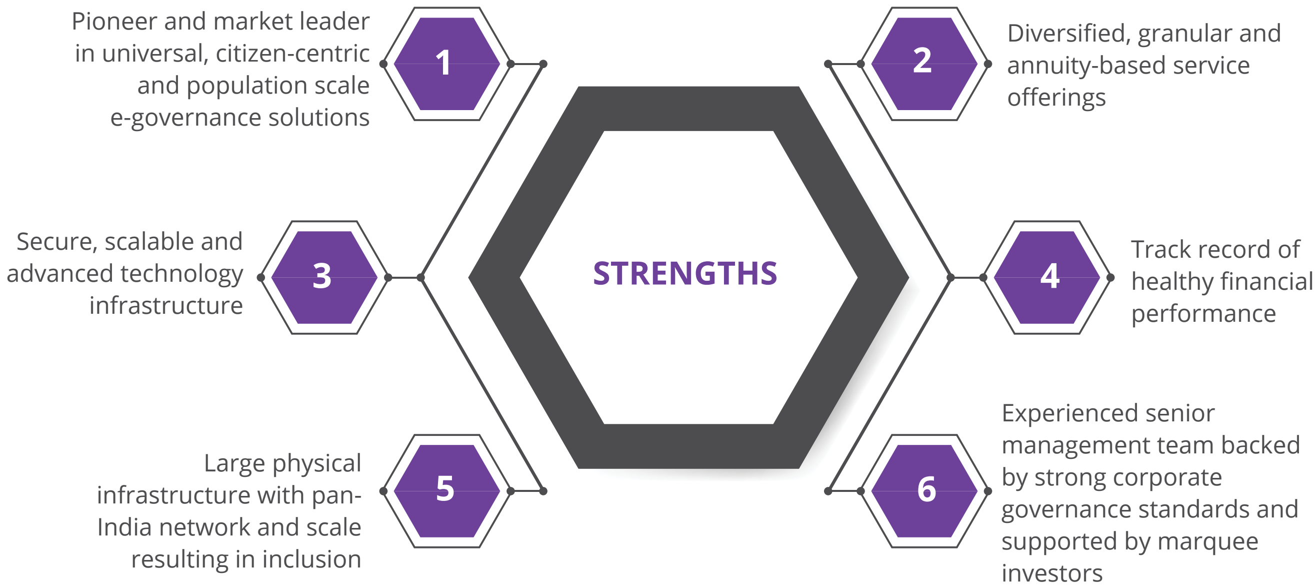
Government impetus: In the Union Budget 2023-24, the allocation towards the IT and telecom sector stood at ₹ 97,579.05 crore (US$ 11.77 billion).

(Source: UN, Data Reportal, PIB, IBEF)

BUSINESS OVERVIEW

Protean eGov Technologies Limited (hereafter mentioned as 'the Company') is an IT solutions company working on developing citizen-centric e-governance solutions. The Company was incorporated in 1995 under the name of 'National Securities Depository Limited', and has emerged as one of the frontrunners in the sector. In collaboration with the Government, the Company creates digital public infrastructure and develops innovative citizen-centric e-governance solutions.

The Company has been helping the Government in developing solutions to identify and counter the bottlenecks in government services. The Company has not only helped in enhancing the delivery of public services but also enabled reduction in cost of service delivery. The Company has been playing a crucial role in establishing public digital infrastructure and developing e-governance solutions, impacting multiple sectors of the Indian economy.



HUMAN RESOURCES

The Company recognises employees as its biggest assets. In its strive to emerge as an employee-centric organisation, the Company has reinforced its HR policies and framework. The Company has been focused on aligning its goals with that of its employees, ensuring all-round inclusive growth of the employees. Notably, the Company also has strong people policies to ensure an organised and seamless onboarding and recruitment process, in addition to achieving training and development of the employees, and ensuring continuous engagement with the employees. As on March 31, 2023, the Company had a total strength of 609 employees.

CAUTIONARY STATEMENT

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

3. PROGRESS AT PROTEAN EGOV

A. TAX MODERNIZATION SERVICES

1) Tax Information Network (TIN)

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

Protean has established connectivity with 18 tax collecting banks to upload tax collection data from more than 18,428 branches*.

During FY 2022-23, more than 7.5 Crore challans were uploaded by banks*. As on March 31, 2023, 6,922 TIN Facilitation Centres (FCs) were operational across around 1,845 locations providing e-TDS Returns acceptance services to taxpayers.

*(*From Financial Year 2023-24 onwards OLTAS has been migrated to the Income Tax Department.)*

2) PAN Services

During FY 2022-23, around 3.86 Crore PAN applications were processed by Protean while, the cumulative number has exceeded 43.24 Crore. 73,895 Centres (66,973 PAN Centres and 6,922 TIN-FCs) were operational across 8,974 towns/ cities providing PAN application acceptance services.

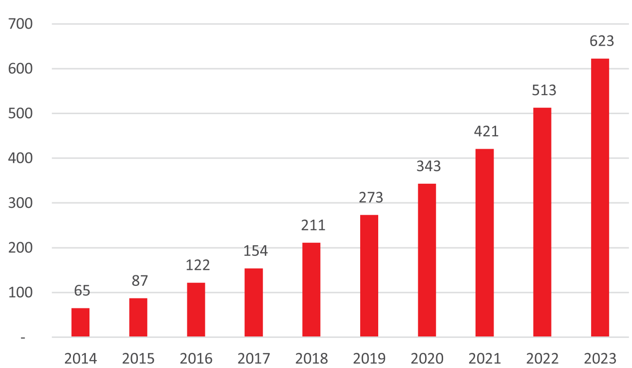
B) SOCIAL SECURITY & WELFARE: CENTRAL RECORD KEEPING AGENCY (CRA) FOR NATIONAL PENSION SYSTEM

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

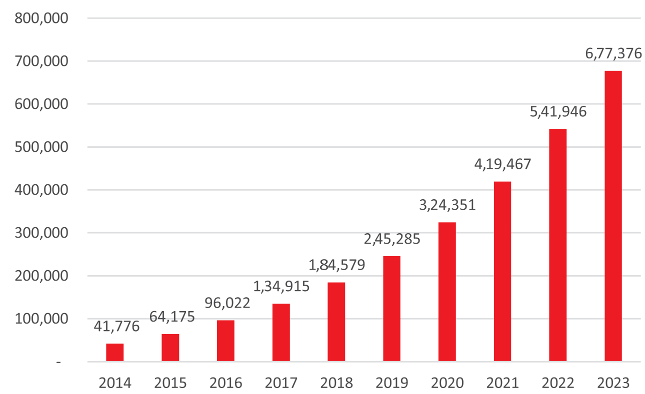
Your company has been acting as the Central Recordkeeping Agency (CRA) for National Pension System (NPS) for over fourteen years now. Alongwith Central Government, CRA services are also being provided to various other sectors namely, Central Autonomous Bodies (CABs), State Governments/ Union Territories,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

Total Assets Under Management (AUM) under NPS has increased from ₹7,15,477 Crore, as of March 31, 2022 to ₹ 8,69,346 Crore as of March 31, 2023, a growth of 21%.

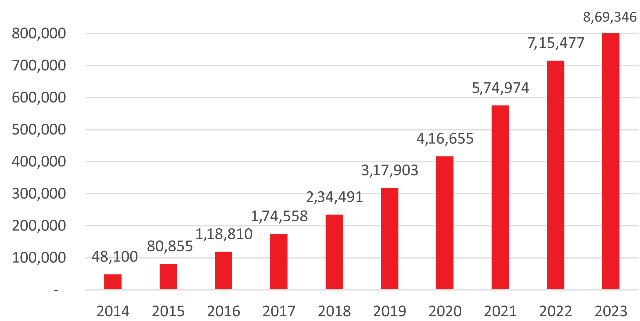
NPS/APY Subscribers (In Lacs)



Amount contributed (₹ Crores)



AUM (₹ Crores)



i. **NPS Government Sector:** The Government Sector consists of Central Government (including CABs) and State Governments/ Union Territories (including SABs). So far, 32 State Governments/ Union Territories have entered into agreement with Protean for availing its services as CRA. During FY 2022-23, more than 14,200 Nodal Offices were registered for Government Sector. In all, more than 33,400 Nodal Offices of Central Government (including the offices of 662 CABs) and 2.84 Lakh Nodal Offices of State Governments (including the offices of 1,705 SABs) are registered with **Protean**.

In FY 2020-21, NPS Tier II-Tax Saver Scheme (TTS) was introduced specifically for Central Government Subscribers under NPS excluding CABs wherein the transactions have a lock-in of three years and qualifies for tax benefit u/s 80C. Central Government employees who are not mandatorily covered under NPS can also activate TTS based on self-declaration. As on March 31, 2023, total 4,312 TTS accounts have been opened/ activated with contribution amount of ₹ 6.60 Crore.

ii. **NPS Private Sector:** NPS Private Sector consists of All Citizens of India sector (also referred to as Unorganized Sector i.e. UOS) and Corporate Sector. As of March 31, 2023, around 81 entities were acting as Points of Presence (POPs) servicing Subscribers under these sectors through more than 87,600 touch points across the country. So far, more than 10,700 Corporates have been registered to enroll their Subscribers under NPS which also includes Public Sector Banks and Public Sector Enterprises which have mandatorily implemented NPS.

Tier II investment in Permanent Retirement Account (PRA) is a facility for the existing NPS Account holders to undertake investments over and above the investment in the normal pension account (i.e., Tier I). More than 5.57 Lakh Subscribers have availed the facility of Tier II account as on March 31, 2023.

iii. **eNPS:** Protean in its continuous endeavour to simplify procedures and modalities of NPS, developed an online platform (based on PFRDA guidelines) for registration and contribution. This platform has been made available to Non-Government as well as Government Sector. Under eNPS, multiple options of registration such as through Aadhaar, DigiLocker, PAN & KYC Verification by POP/ Nodal Office have been provided. eSign/ OTP based authentication facility has been integrated in eNPS platform to enable a Subscriber to sign his/her PRAN application electronically. This process ensures that PRAN is available to the Subscriber instantly. Also, this paperless on-boarding process has eliminated the requirement of submission of physical documents to CRA, thus enhancing the ease of registration process. During FY 2022-23, an option of CKYC based registration has been made available under eNPS. During FY 2022-23, around 6.45 Lakh PRANs were generated under UOS, of which more than 46% PRANs were generated through eNPS. Further, till March 2023 29,600 Government Subscribers have been registered through eNPS. The facility to activate Tier II account by existing Subscribers has also been made available under eNPS. Out of 5.57 Lakh Tier II accounts, nearly 3.87 Lakh accounts are opened/ activated through the eNPS.

At present, Bill Desk and RazorPay act as Payment Gateway Service Providers for eNPS contributions and 83 Banks are associated with them through which Subscribers can remit contribution to their NPS accounts. Contribution payment using UPI has also been made available in eNPS. Further, ₹ 8,647 Crore was contributed through eNPS (by both, existing as well as new Subscribers of NPS regular and Lite including Tier II) during FY 2022-23.

iv. **D-Remit facility:** Under NPS, various modes are available for contributing. However, contribution made through any mode on eNPS platform is credited into the PRAN account of the Subscriber on T+2 working days and thus the NAV is allotted on T+2 day (T being the day of remittance of funds by the Subscriber). D-Remit is a process/ facility wherein a Subscriber will get NAV of the same day (provided the contribution is made to Trustee Bank before a pre-decided cut-off time – at present 9.30 am) and provides the Subscriber with an option to make systematic investments in the PRAN account. As on March 31, 2023, more than 20.29 Lakh D-Remit transactions were made for which total contribution of ₹ 1,922 Crore was settled across sectors.

v. **Online PRAN generation by Nodal Offices:** In addition to eNPS, to facilitate the process of PRAN generation and timely upload of NPS contributions, Protean has developed and made available the functionality of Online PRAN Generation to Nodal Offices & POPs. During FY 2022-23, more than 7.81 Lakhs PRANs (UOS+Corporate) have been generated. This account for more than 62% of the total PRANs generated under Private Sector (excluding PRANs generated through eNPS). Whereas in Government Sector, more than 4.52 Lakh PRANs have been generated during FY 2022-23 using Online PRAN Generation facility.

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

Till March 31, 2023, 418 APY Service Providers (APY-SPs - PSUs/ Private Banks/ RRBs/ DCCBs/ SCBs/ UCBs/ DOP/ SFBs/ PAYB) have joined and these APY-SPs have registered around 1.71 Lakh branches under APY as service branches. More than 5.20 Crore Subscribers have been registered under APY till March 31, 2023.

vii. Empowering Subscribers:

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

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

ePRAN and welcome Kit: Subscribers are provided with the option of ePRAN/ Welcome kit instead of Physical PRAN card at the time of registration NPS in order to optimize the cost borne by the Subscribers.

Mobile App: In order to provide ease of access, NPS Mobile App has been made available for NPS Subscribers. Using this App, Subscriber can access various functionalities such as Transaction Statement, Contribution Remittance, details of latest contributions, change in contact details, change in address details, change in Scheme Preference under NPS after providing PRAN as User ID and password. The App is available for download on 'Google Play Store' as **'NPS by Protean'** for Android users. The App is also available for iOS and Windows users.

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

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

As on March 31, 2023, more than 12.79 million users have downloaded Mobile App (NPS regular and APY).

Chatbot: NPS/APY Chatbot (KYNA) has been implemented on NPS/APY Transaction websites. Existing as well as prospective Subscribers can access Chatbot for information/ queries on NPS as well as APY. The Chatbot facility is also available on CRA Corporate Website as well as in Mobile App. Also, NPS Subscribers can get the Transactional information specific to NPS Account like Account Balance, Recent Contribution Credits, Subscriber Detail View, etc. using KYNA.

NPS Prosperity Planner (NPP): NPP has been made available under NPS for the benefit of Subscribers. NPP is futuristic and offers personalized retirement planning for the Subscribers, based on their past contribution, expected income rise in the future and their cost of living. The calculator provides the Subscriber with the reasonable projections which aid in better retirement planning to ensure adequate and sustainable old-age income.

Retirement Adviser: The Retirement Advisers (RA) are appointed by PFRDA to engage in the activity of providing advice on NPS and thereby to extend the reach of NPS. The RA can be an individual, registered partnership firm, body corporate, or any registered trust or society. An online platform has been made available in the CRA system to facilitate registration of Retirement Advisers. As on March 31, 2023, 106 Retirement Advisers have been registered in the CRA system and 1,419 PRANs have been generated through them.

Capacity Building and Marketing Initiatives: Several initiatives have been taken to reach out to different stakeholders of NPS during FY 2022-23. Also, Subscriber Awareness Programmes (SAP) are conducted to complement the efforts of PFRDA to make NPS popular amongst the masses and also to increase the awareness about NPS across India and about various features of

NPS. During FY 2022-23, more than 1,400 training sessions (including SAP) were conducted across all sectors online as well as offline for the Nodal Offices on various processes involved under NPS, operational requirements and process disciplines to be followed.

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

Protean CRA's Facebook page has over 80,800 followers whereas our Quora account has reached 1.9 million views and we have also become the most viewed writer of the topic 'NPS'. Our YouTube channel - 'NPS Ki Pathshala' has over 1.61 Lakh Subscribers, with over 4.62 million views and the same has been utilized in imparting knowledge about NPS & APY and related operational aspects. Further, Our Instagram page called 'Protean.CRA' has over 12,000 followers.

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

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

C. DATA STACK

a) Authentication, e-KYC & e-Authentication services

1) DIGITAL IDENTITY SERVICES

Protean has been authorised by Unique Identification Authority of India (UIDAI) as an Authentication Service Agency (ASA) and Authentication User Agency (AUA) for providing Aadhaar Authentication Services to various entities. Protean has also been authorised by UIDAI as KYC Service Agency (KSA) and KYC User Agency (KUA) for providing Aadhaar based e-KYC services to various entities. e-KYC is a unique service through which Know Your Client (KYC) process can be performed electronically using Aadhaar database with explicit authorization by the Resident. As of now, 45 entities including Central/ State Governments, Banks/ Payment Bank, PSUs, Insurance Companies avail these services from Protean. During FY 2022-23, your company has carried out 27.68 Crore Aadhaar authentication and 24.60 Crore e-KYC transactions. So far, 223.42 Crore authentication and 104.12 Crore e-KYC transactions have been carried out through Protean.

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

Protean is empaneled with Controller of Certifying Authorities (CCA) to operate as a licensed Certifying Authority (CA) and as an e-Sign Service Provider for providing e-Sign services to various Application Service Providers (ASPs). As of now, 217 entities including Central/ State Governments, Banks/ Payment Banks, PSUs, Depository Participants, Stock Brokers, among others avail these services from Protean. During FY 2022-23, your company has carried out 10.11 Crore e-Sign transactions. So far, 27.63 Crore e-Sign transactions have been carried out through Protean. e-Sign is an online electronic (digital) signature service to facilitate Aadhaar holders to digitally sign documents. UIDAI provides facility for Aadhaar authentication using biometric of the Resident or One Time Pin (OTP), sent on the respective mobile number of the Resident registered with UIDAI. e-Sign aims at transforming the use of digital signatures and promote paperless digital environment using Aadhaar. e-Sign has been recognized as a valid mode of signature under provisions of Second Schedule of the Information Technology Act and Guidelines issued by CCA (Electronic Authentication Technique and Procedure) Rules, 2015. e-Sign services can be used for various purposes like digital signing of application for opening of bank account, loans, Trading and/ or DEMAT Account, customer onboarding, eNACH mandate, application for PAN, application for Permanent Retirement Account Number (PRAN) for National Pension System (NPS)/ Atal Pension Yojana (APY) among others.

So far, 217 entities comprising Banks, Insurance Companies, Non-Banking Financial Company (NBFC), Depository Participants, Stock Brokers, e-Commerce organizations, Financial Institutions, Corporate Bodies, among others have been registered with Protean as Application Service Provider (ASPs). Online PAN application and Online NPS modules of Protean have implemented e-Sign services and are operational as an ASP. As on March 31, 2023, more than 27.63 Crore e-Signs were generated. Protean undertakes various marketing initiatives to make this service popular for various usages and users.

c) Online Pan Verification (OPV) Facility

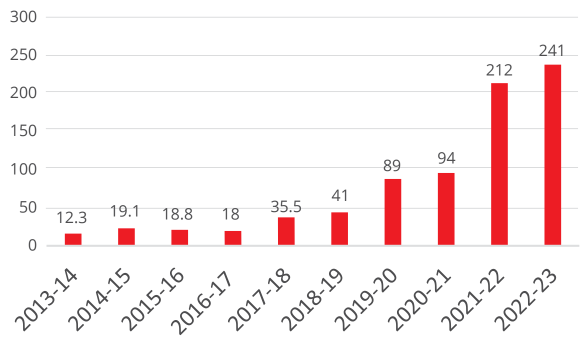
Your company has established a portal to enable authorized entities to avail internet based service for verification of PANs i.e. Online PAN Verification facility on behalf of Income Tax Department.

The users have three options for accessing this service viz;

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

During FY 2022-23, 241 crore PANs were verified by users of this service. As on March 31, 2023, 2,271 users were availing the OPV facility and around 794 crore PANs have been verified so far cumulatively.

No. of PANs verified (In Crores)



2) DATA SOLUTIONS

Your company will also provide services related to Digital Identity Services, KYC, Digital Customer On-boarding, Data Analytics Services to entities from BFSI and other sectors.

Other services such as GSP/GVS services, ITR verification, MCA data verification, Employment verification among others would also be provided to complete the entire gamut of ID Verification & Data Analytics Services.

Account Aggregator: Your company will leverage its existing relationships with Banking and other financial sector organizations to offer Account Aggregator services that will help offer consent management to citizens and consented fetching of data to various regulators from RBI, SEBI, IRDA and PFRDA regulated entities to promote greater financial inclusion.

D. CLOUD SERVICES

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

E. OPEN DIGITAL ECOSYSTEMS

Your company is also one of the main contributors and enablers towards building of sustainable and innovative technology solutions ensuring inclusivity, ease of access and fair pricing structure. Open Digital Ecosystems would enable both the public and private sector to collaborate for enabling open discovery between demand and supply ecosystems.

ISO Certifications

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

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

b. ISO 22301:2019 Certification (Business Continuity Management Standard)

Protean is committed to deliver service to its customers on continuous basis, without interruption. Protean has implemented Business Continuity Management System ("BCMS") Standard (ISO/IEC 22301:2019) to establish, manage, maintain and continually improve

Business Continuity capabilities/ practices for CRA-NPS project. An organization structure comprising of cross-functional teams has been identified to ensure BCMS implementation is effective. Periodic testing of BCP plans is carried out to ensure that it helps to be an overall resilient organization.

c. ISO 20000-1:2018 Certification (IT Services Management Standard)

For effectively meeting the SLA requirements of the Regulator, the company has adopted ITSM (Information Technology Service Management) framework for Central Record Keeping Agency System (National Pension System and continues to hold ISO 20000-1:2018 Certification). The ITSM policy objectives focus on customer satisfaction, leveraging of latest technology, alignment of business needs with IT services and maintaining domain expertise and productivity of people above defined benchmark levels. The importance of service quality and its continual improvement is accorded due importance to ensure and enhance customer experience. ITSM helps to identify areas for improvement in services delivery and support. The same is achieved by integration of People, Processes, Technology and Partners (Customers and Suppliers).

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

Foundation of any customer satisfaction is the Quality of Service. Considering the nature of services offered by the company and the volume of transactions, it is very important to maintain high service quality and on sustained basis. Towards this objective, the company has implemented ISO 9001 Standard for quality management of its TIN & PAN Processes & continues to hold ISO 9001:2015 Certification.

Capability Maturity Model Integration ("CMMI")

CMMI is a model developed by the Carnegie Mellon Software Engineering Institute (SEI). The model expresses maturity of organisations at various capability levels and also defines the characteristics of effective processes for satisfying the requirements at each level. As a de-facto standard reference model for process improvement, it is used by numerous companies throughout the world.

Protean was certified at Capability Maturity Model Integration for Services (CMMI SVC Version 1.3) - Level 5 for Central Recordkeeping Agency (CRA SVC 2.0) – Subscriber Services and CRA Systems Infrastructure in April 2023. An appraisal at maturity level 5 indicates that the organization is performing at the highest - an 'Optimising' level. At this level, processes are systematically managed by a combination of process optimization and continual process improvement.

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

4. RISK MANAGEMENT

The company has a Board approved Risk Management Policy which provides for Risk Management Governance Structure, Risk Management Process comprising Risk Identification, Risk Assessment, Risk Treatment, Risk Reviews and Status Update Reporting at all levels. As a part of implementation of the said Policy, various risks have been identified and Risk Assessment Framework has been defined. Risk Management Trainings for Risk Owners, Risk Champions and Risk Coordinators were conducted and Newsletters covering various aspects of Enterprise Risk Management were circulated for increasing awareness and building an effective risk management culture. Monitoring of identified risks is done through Risk Appetite Statement and Consolidated Risk Register. Mitigation plans are drawn for breaches (if any) and reported to the Board through Risk Management Committee.

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

Risk	Impact	Mitigation
Economy risk	Sluggish growth or downfall in the economy can adversely impact the company's performance.	Owing to the rising inflation and global geopolitical conflicts, the Indian economy slowed down during the fiscal from 9.1% in 2021-22 to 7.2% in 2022-23. Going forward, the country is expected to get a better control on inflation, and sustain its growth trajectory in the foreseeable future.

Risk	Impact	Mitigation
Regulatory risk	Frequent changes or non- compliance with the statutory norms and regulations may impact the reputation and operations of the company.	Operating with various Government agencies, and dealing with confidential information, the Company remains in compliance with stringent norms set by the regulators.
Cybersecurity risk	Disclosure of confidential information can impact the operations of the company.	Working on sensitive information, the Company realises the pivotal role played by IT in ensuring that the Company is ahead of cyber security threats. Hence, the Company has been consistently investing in ever-evolving technology to counter such risks.
Client risk	Failure to deliver on client's expectations can impact the company's ability to retain clients, thereby, adversely impacting revenues.	To cater to the diverse needs of our customers, the Company has been proactively investing in data analytics, digital verification and due diligence. Additionally, the several pioneering and leadership positions carved by the Company across various services acts as a key differentiator working in the Company's favour.

5. INTERNAL CONTROL SYSTEMS

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

6. CODE OF ETHICS AND VIGIL MECHANISM

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

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

Under this policy, any Director or employee of the company can report any actual or possible violation of the Code or Staff Rules or other applicable laws or an event he/she becomes aware of that could affect the business or reputation of the company as per the procedure specified in the Policy. There is a Whistle Blower Committee constituted by the company for overseeing the implementation of this Policy and to deal with complaints received under the Policy. The vigil mechanism so established provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. Details of Vigil Mechanism is provided on your company's website: https://www.proteantech.in/building-social-impact.

7. HUMAN RESOURCES

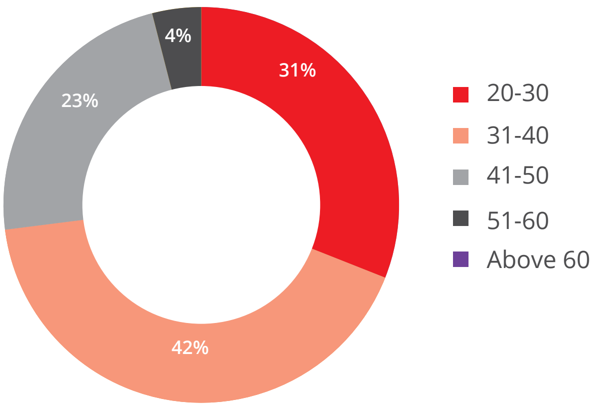
Being a people-centric organisation, the company treats its employees as one of its most integral assets. The company has a robust HR system and well-structured policies for the holistic development of this asset. The company strives to achieve inclusive growth for its employees, thereby ensuring its goals are aligned with its employees. Further, the company has a strong people policy aimed at recruiting the best talent, training the people, engaging with them continuously, and ensuring strong retention. As on March 31, 2023, the company had a total strength of 609 employees.

Your company emphasizes on the quality of its human resources as employees are vital for the organization. The company has created favourable work environment and has set up a human resource management system, which enables it to retain and attract high calibre employees. Employee relations at all locations are harmonious and cordial. The company gives importance to the training and development of its employees. Various training and orientation programmes are conducted, both in-house as well as external programmes. Officials across various levels are exposed to programmes according to their respective training needs. Your company also nominates select employees to participate in various seminars and conferences both in India and abroad. A comprehensive induction programme is conducted for new recruits.

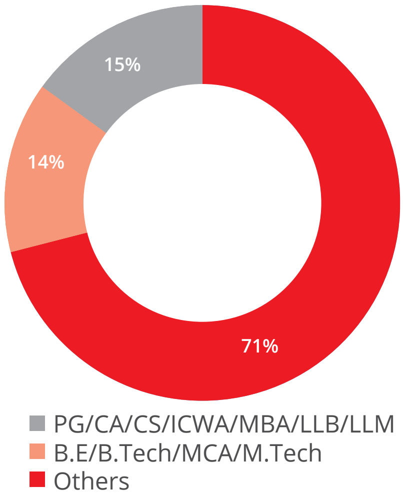
Other training programmes are also conducted in order to keep abreast the employees in various technical, managerial and leadership areas. Special team building programmes are conducted for employees to increase their efficiency and performance as a team.

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

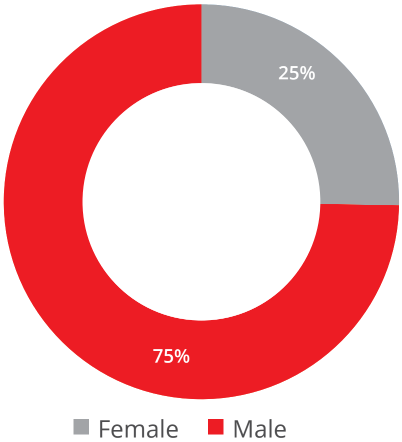
Age-group wise break-up



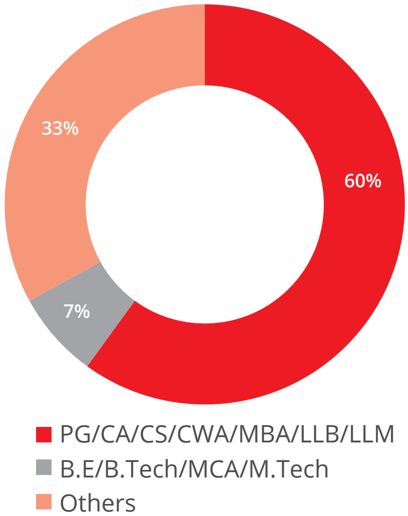
IT Systems



Gender Diversity



Business Operations



8. CORPORATE GOVERNANCE

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

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

BOARD OF DIRECTORS

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

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

Composition and size of the Board of Directors

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

Board Procedures and Meetings

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

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

During the year under review, seven (7) Board Meetings were held: April 18, 2022, May 31, 2022; June 28, 2022; September 28, 2022; November 23, 2022; February 15, 2023 and March 31, 2023.

Details of attendance of Directors at Board Meetings and number of other Directorships and Chairman/ Memberships of Committee of each Director in various companies are as follows:

Sr. No.	Name of the Directors	Category	Attendance Particulars		Number of other Directorships		No. of Committee Positions held in other companies	
			No. of Board Meetings held during tenure	No. of Board Meetings attended	In Public Companies	In Private Companies	Member	Chairman
1	Mr. Shailesh Haribhakti	Non-Executive, Chairman/ Independent	7	7	7	11	4	5
2	Mr. A. P. Hota	Non-Executive/ Independent	7	6	4	2	1	1
3	Mr. Shailesh Kekre[1]	Non-Executive/ Independent	5	5	1	1	-	-
4	Mr. Lloyd Mathias[2]	Non-Executive/ Independent	4	4	4	2	4	-
5	Ms. Preeti Mehta[3]	Additional Non-Executive/ Independent	1	1	5	-	4	1
6	Ms. Aruna Rao[4]	Additional Non-Executive/ Independent	-	-	-	-	-	-
7	Mr. Karan Bhagat	Non- Executive Director	7	2	3	1	-	-
8	Mr. Mukesh Agarwal	Non- Executive Director	7	6	7	-	1	-
9	Mr. Suresh Sethi	Managing Director& CEO	7	7	-	-	-	-
10	Mr. Jayesh Sule	Whole Time Director & COO	7	7	-	-	-	-
11	Ms. D. N. Raval[5]	Non- Executive/ Independent	5	5	NA	NA	NA	NA
12	Justice (Retd.) Ms. Nishita Mhatre[6]	Non-Executive/ Independent	3	3	NA	NA	NA	NA

[1]*appointed as a Director w.e.f. May 31, 2022*
[2]*appointed as a Director w.e.f. June 28, 2022*
[3]*appointed as a Director w.e.f. February 15, 2023*
[4]*appointed as a Director w.e.f. March 31, 2023*
[5]*ceased to be a Director w.e.f. December 31, 2022*
[6]*ceased to be a Director w.e.f. September 15, 2022*

Notes:

1. Number of directorships and committee memberships are compiled based on the declarations provided by the Directors in the first board meeting of financial year 2023-24.
2. While considering Memberships/ Chairmanships of Committees, only the Audit Committee and Stakeholders' Relationship Committees in all Public Limited Companies have been considered.

Board level Changes

Board Level changes during FY 2022-23 are mentioned below:

- Mr. Shailesh Kekre (DIN: 07679583) appointed as an Additional Director in the category of Independent Director (Non-Executive) w.e.f. May 31, 2022;
- Mr. Lloyd Mathias (DIN: 02879668) appointed as an Additional Director in the category of Independent Director (Non-Executive) w.e.f. June 28, 2022;
- Mr. Shailesh Kekre (DIN: 07679583) was regularised as Director (Independent) in the AGM held on September 12, 2022;
- Mr. Lloyd Mathias (DIN: 02879668) was regularised as Director (Non-Executive) in the AGM held on September 12, 2022;
- Justice Nishita Mhatre (Retd.) (DIN: 08489369) retired as an Independent Director on September 15, 2022;
- Ms. D. N. Raval (DIN: 02792246) retired as an Independent Director on December 31, 2022;
- Ms. Preeti Mehta (DIN: 00727923) appointed as an Additional Director in the category of Independent Director (Non-Executive) w.e.f. February 15, 2023;
- Ms. Aruna Rao (DIN: 06986715) appointed as an Additional Director in the category of Independent Director (Non-Executive) w.e.f. March 31, 2023.

Following is the composition of the Board as on March 31, 2023:

Sr. No.	Name of Directors	Category/ Designation
1.	Mr. Shailesh Haribhakti	Chairman, Independent Director
2.	Mr. A. P. Hota	Independent Director
3.	Mr. Shailesh Kekre	Independent Director
4.	Mr. Lloyd Mathias	Independent Director
5.	Ms. Preeti Mehta	Additional Director (Independent)
6.	Ms. Aruna Rao	Additional Director (Independent)
7.	Mr. Karan Bhagat	Non-Executive Director
8.	Mr. Mukesh Agarwal	Non-Executive Director
9.	Mr. Suresh Sethi	Managing Director & CEO
10.	Mr. Jayesh Sule	Wholetime Director & COO

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

The company has received declarations from all the Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. All the Independent Directors have enrolled their names in the databank maintained by the Indian Institute of Corporate Affairs (IICA) as required under Rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014. In the opinion of the Board, all the aforesaid Independent Directors possess the requisite expertise and experience and are persons with integrity.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Independent Directors were familiarized inter alia, with the Company, their duties, roles and responsibilities, the nature of the industry and operations of the Company. The Directors were also familiarized with the organizational set-up, functioning, internal control processes and relevant information pertaining to the Company. Various interactions were held between the Directors and Senior Management to understand the Company's business operations.

Apart from the above, periodic presentations were also made at the Board Meetings to familiarize the Directors with the Company's Business Plans, Capital Structure, Business Model, Technology, Strategy, Business Performance, Opportunities, Regulatory Updates/ Framework and other related matters.

Senior Management of the Company makes a presentation to Board Members every quarter, sharing updates about the Company's business strategy, operations, and the key trends in the industry relevant for the Company. These updates help the Board Members in keeping abreast of the key changes and their impact on the Company.

The details of familiarization programmes are available on Company's website.

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

a) To recommend Director(s) retiring by Rotation to the Board:

In accordance with the provisions of the Act and the Articles of Association of the company, Mr. Jayesh Sule (DIN: 07432517), Whole Time Director & COO of the company, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself for re-appointment.

b) To appoint Ms. Preeti Mehta (DIN: 00727923) as an Independent Director of the Company:

Ms. Preeti Mehta (DIN: 00727923), who was appointed as Additional Director (Non-Executive) w.e.f. February 15, 2023 for a period of three years and who holds office till the date of ensuing Annual General Meeting (AGM), is proposed to be appointed as an Independent Director (Non-Executive) in the Annual General Meeting (AGM), and whose office shall not be liable to retire by rotation, subject to approval of Members.

c) To appoint Ms. Aruna Rao (DIN: 06986715) as an Independent Director of the Company:

Ms. Aruna Rao (DIN: 06986715), who was appointed as Additional Director (Non-Executive) w.e.f. March 31, 2023 for a period of three years and who holds office till the date of ensuing Annual General Meeting (AGM), is proposed to be appointed as an Independent Director (Non-Executive) in the ensuing Annual General Meeting (AGM), and whose office shall not be liable to retire by rotation, subject to approval of Members.

d) To appoint Mr. Shailesh Haribhakti (DIN: 00007347) as a Non-Executive Non-Independent Director of the Company.

Mr. Shailesh Haribhakti (DIN: 00007347) was first appointed on the Board of the Company on May 23, 2012. The Company had appointed Mr. Haribhakti in the category of Independent Director w.e.f. September 25, 2014. Further, at the 23rd AGM held on August 10, 2018 he was appointed for a further period of five (5) years w.e.f. September 25, 2018. The current tenure of Mr. Shailesh Haribhakti as Independent Director expires on September 24, 2023.

The Board of Directors of the Company at its meeting held on August 08, 2023 have approved the appointment of Mr. Haribhakti (DIN: 00007347)) as the Non-executive Non-Independent Director of the Company, for a period of five years w.e.f. September 25, 2023 subject to approval of the members in the ensuing Annual General Meeting.

The details for appointment including the terms and conditions are mentioned in the Item No. 6 of AGM Notice.

e) To approve re-appointment of Mr. Suresh Sethi (DIN: 06426040) as Managing Director & CEO for a period of five years with effect from February 18, 2024.

The Members, at the 25th AGM held on September 18, 2020, had appointed Mr. Suresh Sethi (DIN: 06426040) as the Managing Director & Chief Executive Officer ("MD & CEO") of the Company, not liable to retire by rotation, for a period of three (3) years w.e.f. February 18, 2021. The current tenure of Mr. Suresh Sethi as MD & CEO expires on February 17, 2024.

The Board of Directors of the Company at its meeting held on August 10, 2023 have approved the re-appointment of Mr. Suresh Sethi (DIN: 06426040) as the Managing Director & Chief Executive Officer ("MD & CEO") of the Company, for a further period of five (5) years subject to approval of the members in the ensuing Annual General Meeting.

The details for re-appointment including the terms and conditions are mentioned in the Item No. 7 of AGM Notice.

f) To approve re-appointment of Mr. Jayesh Sule (DIN: 07432517) as Whole Time Director & COO for a period of three years with effect from April 1, 2024.

The Members, at the 21st AGM held on September 8, 2016, had appointed Mr. Jayesh

Sule (DIN: 07432517) as the Whole Time Director & Chief Operating Officer ("WTD & COO") of the Company, liable to retire by rotation, for a period of three (3) years w.e.f. April 1, 2016. Thereafter, at the 23rd AGM held on August 10, 2018 he was re-appointed for a further period of three (3) years w.e.f. April 1, 2019. Subsequently at the EGM held on April 11, 2022 he was re-appointed for a further period of two (2) years w.e.f. April 1, 2022. The current tenure of Mr. Jayesh Sule as WTD & COO expires on March 31, 2024.

The Board of Directors of the Company at its meeting held on August 10, 2023 have approved the re-appointment of Mr. Jayesh Sule (DIN: 07432517) as the Whole Time Director & COO ("WTD & COO") of the Company, for a further period of three (3) years subject to approval of the members in the ensuing Annual General Meeting.

The details for re-appointment including the terms and conditions are mentioned in the Item No. 8 of AGM Notice.

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

BOARD COMMITTEES

The Board has constituted various Committees of Directors to take informed decisions in best interest of the company. These Committees monitor the activities falling within their terms of reference. The Board Committees play a crucial role in the governance structure of the company and are being set out to deal with specific areas/ activities which concern the company and require a closer review. The Board Committees are set up with the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by members of the Board as a part of good governance practice. The Minutes of the Meetings of the Committees are placed before the Board. Following are the details of the Committees of the Board:

- Audit Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Stakeholders' Relationship Committee

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

A. Audit Committee

The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the company and its compliance with legal and other regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the company and also review quarterly and annual financial accounts of the company. The Committee reviews reports of the Internal Auditors and Statutory Auditors and discusses their findings, suggestions, internal control system, scope of audit, observations of the auditors and also reviews accounting policies followed by the company. The Committee also reviews the Operations Audit Reports submitted by Operations Auditors along with Management response and suggests measures for further improvements in areas of operations and risk management. The terms of reference of the Committee are in line with the provisions of Section 177(4) of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee is chaired by Mr. A. P. Hota with Mr. Shailesh Haribhakti, Mr. Shailesh Kekre, Mr. Lloyd Mathias and Mr. Mukesh Agarwal as members of the Committee. At present, out of five (5) members of the Committee four (4) members are Independent Directors.

All members of the Audit Committee have good knowledge of financial matters. The Chairman of the Audit Committee, Mr. A. P. Hota, Independent Director, possesses extensive accounting, financial and risk management expertise. The Chairman of the Audit Committee also attends the Annual General Meeting. The composition of the Audit Committee meets the requirements of the Companies Act.

The Managing Director & CEO, Whole Time Director, Group Head-Internal Audit and Chief Financial Officer are invitees to the Meetings of Audit Committee. Company Secretary of the company acts as the Secretary to the Audit Committee.

During the year under review, four (4) Audit Committee Meetings were held: June 27, 2022; September 28, 2022; November 22, 2022; and February 15, 2023.

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

Sr. No.	Name of the Members	No. of Meetings held during the tenure	No. of Meetings attended
1.	Mr. A. P. Hota (Chairman)[1]	4	4
2.	Mr. Shailesh Haribhakti[2]	4	4
3.	Mr. Shailesh Kekre[3]	3	3
4.	Mr. Lloyd Mathias[4]	3	3
5.	Mr. Mukesh Agarwal	3	3
6.	Mr. Karan Bhagat[5]	1	0

[1]*appointed as Chairman w.e.f. February 15, 2023*

[2]*ceased to be Chairman w.e.f. February 15, 2023*

[3]*appointed as a member w.e.f. June 28, 2022*

[4]*appointed as a member w.e.f. June 28, 2022*

[5]*ceased to be member w.e.f. June 28, 2022*

B. Nomination & Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee with Mr. A. P. Hota as Chairman and Mr. Shailesh Haribhakti, Mr. Lloyd Mathias and Mr. Mukesh Agarwal as members of the Committee. Out of the four (4) members, three (3) members are Independent Directors.

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

The Committee identifies persons who are qualified to be co-opted as Directors and recommends to the Board for their appointment. The Committee carries evaluation of every Director's performance. It also formulates the criteria for determining qualifications, positive attributes of Directors and Senior Management Personnel. It recommends to the Board, policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees. Accordingly, the company has in place a Board approved Remuneration Policy. The same is available at https://www.proteantech.in/building-social-impact.

The Committee is also involved in recommending to the Board revision in the salary structure for employees and in deciding terms of appointment/re-appointment and grant of Annual Increment and Performance Linked Incentive for the Managing Director & CEO and the Whole Time Director & COO.

The Committee has formulated the criteria for determining qualifications, positive attributes and independence of directors.

The composition of the Nomination and Remuneration Committee meets the requirements of the Companies Act. Company Secretary of the company acts as the Secretary to the Nomination & Remuneration Committee.

During the year under review, five (5) Nomination & Remuneration Committee Meetings were held: April 25, 2022; June 27, 2022; August 26, 2022; November 23, 2022; and February 15, 2023.

Details of attendance of each member at the Nomination & Remuneration Committee Meetings held during the year are as follows:

Sr. No.	Name of the Members	No. of Meetings held during the tenure	No. of Meetings attended
1.	Mr. A. P. Hota (Chairman)[1]	5	4
2.	Mr. Shailesh Haribhakti	5	5
3.	Mr. Mukesh Agarwal[2]	-	-
4.	Mr. Lloyd Mathias[3]	-	-
5.	Ms. Dharmishta N. Raval[4]	4	4
6.	Mr. Karan Bhagat[5]	5	1

[1]*appointed as Chairman w.e.f. February 15, 2023*

[2]*appointed as a member w.e.f. February 15, 2023*

[3]*appointed as a member w.e.f. February 15, 2023*

[4]*ceased to be Director w.e.f. December 31, 2022*

[5]*ceased to be member w.e.f. February 15, 2023*

C. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee acts under the Chairmanship of Ms. Preeti Mehta with Mr. Lloyd Mathias and Mr. Suresh Sethi as members. The composition of the Committee meets the requirements of the Companies Act, 2013 and Rules notified thereunder.

The Committee has formulated a Corporate Social Responsibility Policy which indicates the activities to be undertaken by the company. The Committee recommends to the Board the amount of expenditure to be incurred on the activities to be undertaken by the company and monitors the CSR Policy of the company from time to time. The Committee reviews the implementation reports submitted by recipients of funds and evaluation reports submitted by an Independent Evaluator.

The Committee meets periodically to discuss matters relating to CSR of the company. Company Secretary acts as the Secretary to the Committee.

During the year under review, one (1) CSR Committee Meeting was held: June 6, 2022.

Details of attendance of each member at the CSR Committee Meetings held during the year are as follows:

Sr. No.	Name of the Members	No. of Meetings held during the tenure	No. of Meetings attended
1.	Ms. Preeti Mehta (Chairperson)[1]	-	-
2.	Mr. Lloyd Mathias[2]	-	-
3.	Mr. Suresh Sethi	1	1
4.	Ms. Dharmishta N. Raval[3]	1	1
5.	Justice (Retd.) Ms. Nishita Mhatre[4]	1	1

[1]*appointed as Chairperson w.e.f. February 15, 2023*

[2]*appointed as a member w.e.f. February 15, 2023*

[3]*ceased to be Director w.e.f. December 31, 2022*

[4]*ceased to be Director w.e.f. September 15, 2022*

D. Risk Management Committee

The Board has constituted Risk Management Committee consisting of representatives of the Board.

During the year under review, two (2) Risk Management Committee Meetings were held: June 27, 2022 and November 22, 2022.

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

Sr. No.	Name of the Members	No. of Meetings held during the tenure	No. of Meetings attended
1.	Mr. Shailesh Haribhakti (Chairman)	2	2
2.	Mr. A. P. Hota	2	2
3.	Mr. Mukesh Agarwal	2	2
4.	Mr. Jayesh Sule	2	2
5.	Mr. Karan Bhagat[1]	2	0

[1] *ceased to be member w.e.f. February 15, 2023*

E. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee consists of following members:

1. Mr. Lloyd Mathias (Chairman)
2. Mr. Mukesh Agarwal
3. Mr. Jayesh Sule

F. Meetings of the Independent Directors

In terms of the provisions of Schedule IV of the Companies Act, 2013, a separate Meeting of the Independent Directors was held on March 31, 2023 without participation of Non-Independent Directors and Management Representatives, inter alia to discuss:

a) the performance of the Board as a whole;

b) the performance of Non-Independent Directors;

c) the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non-Executive Directors;

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

All the Independent Directors were present at the said Meeting. The Meeting of Independent Directors was chaired by Mr. A. P. Hota, the Lead Independent Director.

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

The Nomination & Remuneration Committee has formulated the following criteria:

1. Any person who in the opinion of the Board is not disqualified under Section 164 of the Companies Act, 2013 and who possesses ability, integrity, relevant expertise and experience can be appointed as Director of the company. Further, members are expected to possess the required qualifications, integrity, expertise and experience (including proficiency) of the Independent Directors' position of the company.

2. Any person who is proposed to be appointed as Independent Director shall meet the criteria specified under Section 149(6) of the Companies Act, 2013 and shall possess qualifications as stated in Rule 5 and Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and shall comply with the Code

of Conduct specified in Schedule IV of the Companies Act, 2013 as amended or re-enacted from time to time.

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

BOARD EVALUATION

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

- As per the provisions of the Section 178(2) of the Companies Act, 2013, the Nomination & Remuneration Committee has carried out evaluation of every Director's performance;
- As required under Schedule IV of the Companies Act, 2013, Independent Directors of the company have carried out performance evaluation of the Chairman and of Non-Independent Directors and Board as a whole and have also assessed the quality, quantity and timeliness of flow of information between the company Management and the Board; and
- As per Section 134(3)(p) read with Schedule IV of the Companies Act, 2013, the entire Board has carried out the annual evaluation of their own performance and that of its Committees and Individual Directors.

A separate Meeting of the Independent Directors was held on March 31, 2023 to review the performance of Non-Independent Directors and the Board, taking into account the views of Directors. The performance of the Independent Directors was evaluated by the entire Board except the person being evaluated. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Board carried out the evaluation of their own performance and that of its Committees and individual Directors keeping in mind the inputs received from the review by the Independent Directors.

REMUNERATION POLICY

In accordance with the provisions of Companies Act, 2013, the Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy relating to the remuneration for its Directors, Key Managerial Personnel and other employees. The Board approved Remuneration Policy is uploaded on the website of the company at: https://www.proteantech.in/building-social-impact.

Employee Stock Option Plan

In FY 2016-17, your company introduced NSDL e-Governance Infrastructure Limited - Employee Stock Option Plan 2017. Pursuant to change of name of the company from NSDL e-Governance Infrastructure Limited to Protean eGov Technologies Limited, the title of the existing ESOP Scheme was changed to "Protean eGov Technologies Limited Employee Stock Option Plan 2017", as amended by the Shareholders by passing Special Resolution at their Meetings held on December 3, 2020 and September 23, 2021 which covers eligible employees of the company and its present and future subsidiaries. The company has granted stock options (each option carrying entitlement for one equity share) to eligible employees. These stock options are vested after the expiry of one year from the date of grant and can be exercised as per grant conditions for respective employees from the date of vesting at the exercise price and payment of perquisite tax. Pursuant to exercise of stock options by employee of the company, the Board at its Meeting held on September 28, 2022, approved the allotment of 3,898 equity shares and at its Meeting held on February 15, 2023, approved the allotment of 33,420 equity shares in accordance with the terms of ESOP Scheme, 2017.

Relevant disclosures under the Companies Act, 2013 on Employee's Stock Option is set out as Annexure - C and forms part of this report.

SHAREHOLDING PATTERN

Shareholding Pattern as on March 31, 2023 is as follows:

Sr. No.	Name of the Shareholders	Number of Shares held	Percentage (%)
1	360 ONE Special Opportunities Fund and its Series	1,20,00,000	29.69
2	NSE Investments Limited	1,00,18,000	24.78
3	Administrator of the Specified Undertaking of the Unit Trust of India – DRF	27,32,000	6.76
4	State Bank of India	20,00,000	4.95

Sr. No.	Name of the Shareholders	Number of Shares held	Percentage (%)
5	HDFC Bank Ltd.	20,00,000	4.95
6	AXIS Bank Limited	20,00,000	4.95
7	Deutsche Bank A.G.	20,00,000	4.95
8	Citicorp Finance India Ltd.	12,50,000	3.09
9	HSBC Ltd.	12,50,000	3.09
10	Standard Chartered Bank	12,50,000	3.09
11	Union Bank of India	11,25,000	2.78
12	Punjab National Bank (After Oriental Bank of Commerce merger)	9,13,000	2.26
13	Bank of Baroda (After Dena Bank merger)	6,25,000	1.55
14	Canara Bank	5,00,000	1.24
15	Soach Global Digital Infrastructure Holdings Limited	3,37,000	0.83
16	ESOP Holders	4,21,394	1.04
	Total	**4,04,21,394**	**100.00**

GENERAL BODY MEETINGS

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

AGM/ EGM	Date	Venue
27th AGM	September 12, 2022	1st Floor, Times Tower, Kamala Mills Compound, Lower Parel, Mumbai - 400 013 (through video conferencing)
Extra-Ordinary General Meeting	April 11, 2022	1st Floor, Times Tower, Kamala Mills Compound, Lower Parel, Mumbai - 400 013 (through video conferencing)
Extra-Ordinary General Meeting	October 28, 2021	1st Floor, Times Tower, Kamala Mills Compound, Lower Parel, Mumbai - 400 013 (through video conferencing)
26th AGM	September 23, 2021	1st Floor, Times Tower, Kamala Mills Compound, Lower Parel, Mumbai - 400 013 (through video conferencing)
Extra-Ordinary General Meeting	December 3, 2020	1st Floor, Times Tower, Kamala Mills Compound, Lower Parel, Mumbai - 400 013 (through video conferencing)
25th AGM	September 18, 2020	1st Floor, Times Tower, Kamala Mills Compound, Lower Parel, Mumbai - 400 013 (through video conferencing)

The Twenty Eighth (28th) Annual General Meeting of your company is scheduled to be held on Wednesday, September 20, 2023 at 03:00 p.m. at the Registered Office of Protean eGov Technologies Limited, 1st Floor, Times Tower, Kamala Mills Compound, Lower Parel, Mumbai - 400013 through Video Conferencing (VC)/Other Audio Visual Means (OAVM) in compliance with the provisions of the Companies Act, 2013 and the Rules made thereunder read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2000 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 02/2022 dated May 5, 2022 and General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs.

GENERAL SHAREHOLDER INFORMATION

- **Company Registration details:**

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

  The company is registered with the Registrar of Companies, Mumbai, State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the company by the Ministry of Corporate Affairs (MCA) is U72900MH1995PLC095642.

- **Financial Year:** From April 1 to March 31.
- **Record date for dividend payment:** Date of AGM.
- **Listing on stock exchange:** The company is not listed in any of the stock exchanges in India or abroad.
- **Branch offices**

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

New Delhi	409/410, Ashoka Estate Bldg., 4th Floor, Barakhamba Road, Connaught Place, New Delhi – 110 001
Kolkata	5th Floor, "The Millenium", Flat No. 5W, 235/2A, Acharya Jagdish Chandra Bose Road, Kolkata – 700 020
Chennai	6A, 6th Floor, Kences Tower, # 1 Ramkrishna Street, North Usman Road, T. Nagar, Chennai – 600 017
Pune	3rd floor, Panchshil Business Park, Baner, Pune-411045
Ahmedabad	Unit No. 407, 4th Floor, 3rd Eye One Commercial Complex Co-op. Soc. Ltd., C.G. Road, Ahmedabad – 380 006

- **Address for correspondence:** Shareholders' correspondence should be addressed to the Company Secretary at the Registered Office of the company at:

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

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

11. CORPORATE SOCIAL RESPONSIBILITY

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

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

The Annual Report as required under Companies (Corporate Social Responsibility Policy) Rules, 2014, (as amended 2021), on CSR activities undertaken by the company is annexed herewith as Annexure - A and forms part of the Report.

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

i. in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

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

iv. the Directors have ensured that the annual accounts are prepared on a going concern basis;

v. the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

3. OTHER DISCLOSURES

A. SUBSIDIARIES

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

Your company had set up a subsidiary company in Malaysia in 2017 in the name NSDL e-Governance (Malaysia) Sdn. Bhd. Your company hold 51% and SOTG Consultancy holds 49% of the equity share capital in the said company. The purpose of setting up the this company is to explore e-governance project opportunities in Malaysia and other neighbouring countries. The said subsidiary is in the process of winding-up.

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

Your company had incorporated a wholly-owned subsidiary company in Australia in FY 2020-21, in the name NSDL e-Governance Australia Pty

Ltd. (name changed w.e.f. January 25, 2022). The purpose of setting up this subsidiary is to design, develop, manage, and implement e-Governance projects through efficient use of information and communication technologies in Australia and other neighbouring countries. The said subsidiary is in the process of winding-up.

iii. NSDL e-Governance Account Aggregator Limited

Account aggregation is an initiative of the Government under the aegis of RBI to facilitate aggregation of customers' assets and deliver reporting services that can help spread financial services. Your company had incorporated a wholly-owned subsidiary company in the name NSDL e-Governance Account Aggregator during FY 2020-21. This company has received in-principle approval from RBI on October 27, 2021. Final Certificate of Registration was issued by RBI on January 9, 2023. During FY 2022-23 this company has not commenced any business operations.

iv. Protean InfoSec Services Limited (formerly known as NSDL e-Governance InfoSec Services Limited)

During FY 2021-22, your company had incorporated a wholly-owned subsidiary in the name NSDL e-Governance InfoSec Services Limited for providing Cyber Security Consulting and Advisory services. The name of the wholly-owned subsidiary was changed to 'Protean InfoSec Services Limited' with effect from February 24, 2022.

During FY 2022-23, the first year of operations, this company has been providing consulting and assessment services to BFSI, IT&ITES, G2C Service Providers and Manufacturing Organisations. This company generated total revenue of ₹ 9.18 million.

The financials of the subsidiary companies are made available and consolidated in terms of the requirements of Section 129(3) of the Companies Act, 2013. Pursuant to provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies Accounts (Rules) 2014, a statement in Form AOC-1 is attached to the financial statements of the company.

The Company did not have any associates or joint ventures during FY 2022-23.

B. AUDITORS

i. STATUTORY AUDITORS

The Members at the Twenty-Sixth (26th) Annual General Meeting of the company held on September 23, 2021 had re-appointed M/s. BSR & Associates LLP, Chartered Accountants, [ICAI Registration Number 116231W/W-100024] as Statutory Auditors of the company to hold office for a period of five years from FY 2021-22 till the conclusion of AGM to be held in the year 2026.

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

There are no frauds reported by the Auditor which are required to be discussed under Section 143(12) of Companies Act, 2013.

ii. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s. S. N. Ananthasubramanian & Co., a firm of company Secretaries in Practice to undertake the Secretarial Audit of the Company for the FY 2022-23.

The Secretarial Audit Report for FY 2022-23 is annexed herewith as Annexure - B and forms part of this report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

iii. INTERNAL AUDITORS

The company has been undertaking Internal Audit since inception. In terms of the provisions of the Companies Act, 2013 and Rules notified thereunder, M/s Deloitte Touche Tohmatsu India LLP, Chartered Accountants, were Internal Auditors for the FY 2022-23. Internal Auditors carry out the audit as per the Audit Plan approved by the Audit Committee and submit report on a quarterly basis to the Audit Committee. Internal Auditors evaluate the effectiveness of internal controls and suggest measures for their improvement.

M/s Grant Thornton Bharat LLP are appointed as Internal Auditors for a period of two years with effect from FY 2023-24.

iv. COST AUDITORS:

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

C. PUBLIC DEPOSITS

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

D. RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered into during the financial year with related parties were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013, hence, no particulars in Form AOC-2 have been furnished.

The company has, however, paid remuneration to Key Management Personnel pursuant to their employment which is in the ordinary course of business and at arms' length basis.

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

E. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO

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

Solar Photovoltaic (PV) Panels with Installed capacity of 20 Kw was commissioned at the Data Centre site in Pune. The Solar PV system at Data Centre site in Pune has generated 22,807 units in FY 2022-23.

Further, the company uses Information Technology extensively in its operations.

Foreign Exchange earnings/outgo during the year under review:

(₹ in Millions)

Sr. No.	Particulars	FY 2022-23	FY 2021-22	FY 2020-21
1.	Foreign Exchange Earnings	NIL	NIL	NIL
2.	Foreign Exchange Outgo/ Expenditure incurred in foreign currency	8.02	5.98	0.79

F. ANNUAL RETURN

As per the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and the rules made thereunder, Annual Return for the financial year ended on March 31, 2023 in prescribed Form MGT-7 is available on the website of the company on: https://www.proteantech.in/building-social-impact.

G. PARTICULARS OF EMPLOYEES

The information required Pursuant to Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company is set out as Annexure - D and forms part of this Report.

H. ORDERS PASSED AGAINST THE COMPANY

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

I. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The investments made during the year are in accordance with the provisions of the Companies Act, 2013. The particulars of Investments made during FY are set out in the Notes to Accounts which form part of this Annual Report.

J. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

K. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

There were no complaints received during the FY 2022-23. Awareness program for all employees was conducted during the year.

Pursuant to the Companies (Accounts) Amendment Rules, 2018, the company has complied with provisions related to the constitution of Internal Committee under the Act.

L. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) OBJECTIVES

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

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

M. INSURANCE

Your company has obtained a Comprehensive Business Risk Insurance Policy to cover risks associated with business operations. The scope of cover of this Insurance policy includes infidelity of employees and other perils. The policies have been obtained for the projects mentioned below:

a. Tax Information Network (TIN)
b. Central Recordkeeping Agency (CRA)
c. National Judicial Reference System (NJRS)
d. Aadhaar authentication and e-KYC services
e. e-sign Services to Application Service Providers

All the above policies are obtained to mitigate business related risks involved.

Your company has also obtained following Insurance policies to cover the organization level risk and the policies are as under:

- Directors & Officers Liability Policy
- Cyber Risk Liability Insurance Policy

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

All the policies are renewed on time to ensure continuity.

N. PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

MCA vide Companies (Accounts) Amendment Rules, 2021, has amended Rule 8 with respect to the disclosure of details of an application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year. Your company wishes to inform that there is no such application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 with respect to your company during FY 2022-23.

O. DIFFERENCE IN AMOUNT OF THE VALUATION

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

P. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

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

CAUTIONARY STATEMENT

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

APPRECIATION

Our Directors are grateful for the support and co-operation extended by the Government of India, Reserve Bank of India, Ministry of Finance, Ministry of Corporate Affairs, Ministry of Education, Ministry of Information and Broadcasting, Pension Fund Regulatory and Development Authority (PFRDA) Central Board of Direct Taxes (CBDT), Central Board of Indirect Taxes and Customs (CBIC), Central Board of Film Certification (CBFC), Unique Identification Authority of India, Controller of Certifying Authorities, State Governments/ Union Territories, State Commercial Tax Departments, Department of Telecommunications (DoT), Indian Banks' Association, Business Partners, Facilitation Centres, Points of Service, Enrolment Agencies, Consultants, Suppliers and Bankers.

Our Directors express their deep sense of appreciation to all the employees whose outstanding professionalism, commitment, tireless efforts and initiatives have made the organization's growth and success possible. The Directors wish to express their gratitude to our valued Members for their continued trust and support.

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

Sd/-
Shailesh Haribhakti
Chairman
DIN: 00007347

August 10, 2023
Place: Mumbai

ANNEXURE - A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited) believes in providing efficient and cost effective services to the users of the system and it endeavours to make a positive impact not only on the lives of its employees and immediate stakeholders but also over the society to the extent feasible and is strongly committed towards Corporate Social Responsibility (CSR). The company has been making contributions to various socially useful projects since 2007. The Board of Directors of Protean, in order to have a structured approach towards CSR, have formulated CSR Policy as prescribed under the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended.

2. COMPOSITION OF CSR COMMITTEE

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Ms. Preeti Mehta[1]	Chairperson, Independent Director	NA	NA
2.	Mr. Lloyd Mathias[2]	Independent Director	NA	NA
3.	Mr. Suresh Sethi	Managing Director & CEO	1	1
4.	Ms. Dharmishta Raval[3]	Chairperson, Independent Director	1	1
5.	Justice (Retd.) Ms. Nishita Mhatre[4]	Independent Director	1	1

[1]*appointed as Chairman w.e.f. February 15, 2023*
[2]*appointed as a member w.e.f. February 15, 2023*
[3]*Ceased to be a Director w.e.f. December 31, 2022*
[4]*Ceased to be a Director w.e.f. September 15, 2022*

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

Composition of CSR Committee: https://www.proteantech.in/building-social-impact

CSR Policy: https://www.proteantech.in/building-social-impact

CSR Projects: https://www.proteantech.in/building-social-impact

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)

Not Applicable for the financial year under review

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	FY 2021-22	510	510

6. Average net profit of the company as per Section 135(5) - ₹ **1,44,59,29,817/-**

7.

	Particulars	Amount (in ₹)
a)	Two percent of average net profit of the company as per Section 135(5)	2,89,18,596
b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	-
c)	Amount required to be set off for the financial year, if any	510
d)	Total CSR obligation for the financial year (7a + 7b - 7c)	2,89,18,086

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,90,93,696	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area* (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation- Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
1.	Child Care and Rehabilitation Care Centre Project	(iii)	Yes	Maharashtra	Mumbai	35,00,000	No	Vatsalya Trust	CSR00003134
2.	Divyangjan Project	(iii)	Yes	Maharashtra	Mumbai	15,00,000	No	Vatsalya Trust	CSR00003134
3.	Dialysis and T.B. Medicine related services	(i)	Yes	Maharashtra	Mumbai	50,00,000	No	Nana Palkar Smruti Samiti	CSR00001230
4.	Cerebral Palsy Project	(i) & (ii)	Yes	Maharashtra	Latur	34,68,000	No	R.S.S Janakalyan Samiti's Samvedana Cerebral Palsy Vikasan Kendra	CSR00006244
5.	Skills and Entrepreneurial quality development Program	(ii)	Yes	Maharashtra	Mumbai	20,00,000	No	Asmita	CSR00006059
6.	Sant Gadgebaba Arogya Kendra Slum Health Care Project	(i)	Yes	Maharashtra	Aurangabad	23,03,440	No	Babasaheb Ambedkar Vaidyakiya Pratishthan	CSR00000181
7.	Sanganak Pradnya	(ii)	Yes	Maharashtra	Aurangabad	7,98,840	No	Babasaheb Ambedkar Vaidyakiya Pratishthan	CSR00000181
8.	Guruvarya Lahuji Salve Slum Health Center	(i)	Yes	Maharashtra	Aurangabad	27,88,510	No	Babasaheb Ambedkar Vaidyakiya Pratishthan	CSR00000181
9.	Matimand Niwasi Vidyalay, Apang Yuvak Swayam Sahayata Kendra & Karna-Badhir Niwasi Vidyalay	(ii)	Yes	Maharashtra	Nashik	25,84,906	No	Punyatma Prabhakar Sharma Seva Mandal	CSR00005050
10.	Vidyasaarthi Project	(ii)	Yes	Maharashtra	Mumbai	45,00,000	No	Tata Institute of Social Sciences	CSR00003475
11.	Mid-Day Meal Program	(i)	Yes	Maharashtra	Raigad	6,50,000	No	The Akshay Patra Foundation	CSR00000286
	Total					**2,90,93,696**			

**The company having Registered Office in Maharashtra considers the state as local area for CSR.*

d) Amount spent in Administrative Overheads: **NIL**

e) Amount spent on Impact Assessment, if applicable: **Not Applicable for FY 2022-23**

f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ **2,90,93,696/-**

g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	2,89,18,596
(ii)	Total amount spent for the Financial Year	2,90,93,696
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,75,100
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1,75,100

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

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

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

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

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

Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5)

Not Applicable. The company has complied with its CSR obligation for FY 2022-23.

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

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

Sd/-
Preeti Mehta
Chairperson - CSR Committee
DIN: 00727923

ANNEXURE - B
FORM NO. MR- 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2023** according to the provisions of:

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

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

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

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

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - **Not applicable as the securities were not listed with the Stock Exchanges during the period under review;**

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **- Applicable due to filing of Draft Red Herring Prospectus with SEBI for listing its Equity Shares ;**

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **- Applicable due to filing of filing Draft Red Herring Prospectus with SEBI for listing its Equity Shares;**

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **- Not applicable as the securities were not listed with the Stock Exchanges during the period under review;**

   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **- Not Applicable as the entity has not issued and listed debt securities with the Stock Exchanges during the period under review;**

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the entity is not registered as Registrar to Issue and Share Transfer Agent during the period under review ;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable as the securities were not listed with the Stock Exchanges during the period under review;**

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

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

vi. The Company has identified the following laws as specifically applicable to the Company:

a. Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013 and PFRDA (Central Recordkeeping Agency) Regulations, 2015 and applicable provisions of other allied intermediary regulations notified under PFRDA Act 2013 as amended from time to time;

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

c. Information Technology Act, 2000 and applicable provisions of Information Technology (Certifying Authorities) Rules, 2000 and other allied Rules and Regulations notified under Information Technology Act, 2000.

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

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

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

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

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board/ Committee Meetings, agenda and detailed notes on agenda were sent seven days in advance and wherever necessary at shorter notice, with the consent of all the Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.
- All decisions of the Board and Committee thereof were carried with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their Meeting(s), we are of the opinion that the Company has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and as informed, no material notice was received from any statutory / regulatory authority.

We further report that during the audit period, following major events, having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., have taken place.

1. The Company has a wholly-owned subsidiary ("WOS") NSDL e-Governance Account Aggregator Limited. The Company is in the process of changing the name of the said WOS. The WOS has received Certificate of Registration from RBI to operate as an Account Aggregator on January 9, 2023.

2. The Company has initiated the process of winding-up of its foreign subsidiary - NSDL e-Governance Australia Pty. Ltd.

3. The Company had filed Draft Red Herring Prospectus with Securities and Exchange Board of India on

December 24, 2021 to undertake an initial public offer of the Equity Shares by way of an offer for sale of Equity Shares by certain existing Shareholders of the Company ("Selling Shareholders", and such offering of shares, the "Offer") up to 12,080,140 Equity Shares.

Addendum to the DRHP was filed on April 27, 2022. SEBI's Final Observation Letter on the same was received on November 17, 2022. Further second Addendum to DRHP was filed on April 25, 2023.

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

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No. : 606/2019

S. N. Viswanathan
Partner
ACS: 61955 | COP No.: 24335
ICSI UDIN: A061955E000331939

18th May, 2023 | Thane

Annexure A

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

Our Secretarial Audit Report for the Financial Year ended 31st March, 2023 of even date is to be read along with this letter.

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

2. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.

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

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

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

DISCLAIMER

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

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

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No. : 606/2019

S. N. Viswanathan
Partner
ACS: 61955 | COP No.: 24335
ICSI UDIN: A061955E000331939

18th May, 2023 | Thane

ANNEXURE - C

Report on Fair Valuation, Amortization of Compensation Cost

And

Disclosures of Employee Stock Options of Protean eGov Technologies Limited

CONFIDENTIALITY AND DISCLAIMER

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

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

ABOUT THE REPORT

Protean eGov Technologies Limited ("the Company") has granted Employee Stock Options to its employees. The scope of this report is to provide disclosures as required under the Companies Act 2013 and/or disclosures in notes to Accounts as required by ICAI guidance note.

The report also details the variables used for the calculation of fair value of granted options.

DISCLOSURES UNDER COMPANIES ACT 2013 AND/OR DISCLOSURES IN NOTES TO ACCOUNTS

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

Requirements under the SEBI (Share Based Employee Benefits) Regulations, 2021

SUMMARY OF STATUS OF ESOPS GRANTED

The position of the existing schemes is summarized as under -

Sr. No.	Particulars	Employee Stock Option Plan 2017 ("ESOP 2017")
I.	**Details of the ESOS**	
1	Date of Shareholder's Approval	Approved on December 4, 2017, December 3, 2020 and September 23,2021
2	Total Number of Options approved	2,600,000
3	Vesting Requirements	25%/33%/50% of the options granted will vest every year starting from one year from date of grant
4	Exercise Price or Pricing formula (₹)	At FMV as per independent valuer's report
5	Maximum term of Options granted (years)	7 years
6	Source of shares	Primary issuance
7	Variation in terms of ESOP	Nil

II.	**Option Movement during the year**	
1	No. of Options Outstanding at the beginning of the year	83,256
2	Options Granted during the year	174,795
3	Options Forfeited / lapsed during the year	12,524
3A	Options adjusted for accumulating rounding off difference	0
4	Options Vested during the year	58,240
5	Options Exercised during the year	37,318
6	Total number of shares arising as a result of exercise of options	37,318
7	Money realised by exercise of options (₹)	7,815,580
8	Number of options Outstanding at the end of the year	208,209
9	Number of Options exercisable at the end of the year	38,368

III	**Weighted average exercise price of Options granted during the year whose**	
(a)	Exercise price equals market price	NA
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	499.54
	Weighted average fair value of options granted during the year whose	
(a)	Exercise price equals market price	NA
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	512.84
	The weighted average market price of options exercised during the year	209.43

IV Employee-wise details of options granted during the financial year 2022-23 to:

(i) Senior managerial personnel

Name	No. of options granted
Mr. Suresh Sethi – MD & CEO	45235
Mr. Jayesh Sule – WTD & COO	37938
Mr. Sudeep Bhatia – CFO	9004
Mr. Bertram D'souza – CPIO	8264
Ms. Dipali Sheth – CHRO	8146
Mr. Metesh Bhati – CDO	8500
Mr. Shreejit Nair – SVP	7225

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

Name	No. of options granted
Mr. Suresh Sethi	45235
Mr. Jayesh Sule	37938
Mr. Sudeep Bhatia	9004

(iii) Identified employees who were granted option, during th capital (excluding outstanding warrants and conversi

Name	No. of options granted
NIL	

Method and Assumptions used to estimate the fair value of options granted during the year: The fair value has been calculated using the Black Scholes Option Pricing model The Assumptions used in the model are as follows:

	Name	No. of options granted
1.	Risk Free Interest Rate	7.21%
2.	Expected Life	2.49
3.	Expected Volatility	66.54%
4.	Dividend Yield	1.26%
5.	Price of the underlying share in market at the time of the option grant (₹)	795.85

Assumptions:

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

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

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for

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

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

Expected divided yield: Expected dividend yield has been calculated as Last declared dividend before date of grant for 1 financial year.

Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with IND AS 33	26.48
Expense on Employee Stock Option Scheme debited to Profit & Loss during the FY 2022-23 (in crores.)	2.34

ANNEXURE - D

Details pertaining to Remuneration

Pursuant to Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Designation	Remuneration Received (₹)	Percentage of equity shares held	Age	Qualifications	Experience	Date of commencement of employment	Last Employment
Mr. Suresh Sethi	Managing Director & CEO	4,87,80,963	0.15%	58 years	MBA B.E. (Electronics)	37 years	15-07-2020	India Post Payments Bank - CEO & MD
Mr. Jayesh Sule	Whole Time Director & COO	3,28,70,756	0.10%	60 years	F.C.A. B.Com.	39 years	01-12-1995	NSEIL - Asst. Vice President
Mr. Amit Sinha	Group Head - Social Security & Welfare	1,46,42,315	0.04%	56 years	MBA (Marketing) B.Sc.	32 years	01-03-1997	Stock Holding Corporation of India Limited
Mr. Milind Mungale	Chief Impact Officer	1,18,24,707	0.03%	57 years	PGDCA CISA CISM B.Sc.	36 years	14-09-1996	Amritlal Chemaux Limited
Mr. Dharmesh Parekh	Chief Information Officer	1,16,50,523	0.03%	53 years	MS Software B.E. (Electronics)	32 years	25-11-1996	Micro Associates Consultancy (I) Private Limited
Mr. Tejas Desai	Group Head - Internal Audit	1,03,86,784	0.03%	56 years	A.C.A B.Com.	31 years	20-01-1997	Ketan C. Sheth (Stock Broker)
Mr. Gopa Kumar T. N.	Chief Business Officer	99,45,262	0.03%	57 years	PGDPMIR DPM B.Sc.	32 years	07-10-1996	NIIT Limited
Mr. Bertram D'souza	Chief Product & Innovation Officer	94,98,433	-	43 years	PGDM (Business Management) B.E. (Computer Engineering)	22 years	10-02-2022	Kotak Mahindra Bank - Executive Vice President
Mr. Dattaram Mhadgut	Chief Technology Officer	94,05,106	0.02%	48 years	B.E (Computers)	26 years	01-04-1997	-
Mr. Hiten Mehta	Group Head - Business Operations	86,62,217	0.03%	57 years	A.C.A B.Com.	33 years	12-06-2000	Asit C. Mehta Investment Intermediates Limited
Mr. Metesh Bhati	Chief Digital Officer	45,19,161	-	39 years	MS (Telecommunication Network)	13 years	22-11-2022	HDFC Bank - SVP

- Remuneration includes basic pay, other allowances, leave travel allowances, performance-linked incentive, company's contribution to Provident Fund, Superannuation, Medical Reimbursement and value of perquisites.
- Nature of employment is governed by the employment terms & conditions and service rules of the company from time to time.
- None of the above is a relative of any Director.
- Employee's Stock Options are granted to these employees.
- All the aforementioned employees were employed throughout the Financial Year except Chief Digital Officer being appointed in November 2022

Independent Auditor's Report

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

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Protean eGov Technologies Limited (Formerly NSDL e-Governance Infrastructure Limited) (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

2A. As required by Section 143(3) of the Act, we report that:

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

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

   c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

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

e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements.

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

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

d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 28 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 28 to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 41 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

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

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

Shabbir Readymadewala
Partner
Membership No.: 100060
ICAI UDIN:23100060BGWOAG1096

Place: Mumbai
Date: 19 May 2023

Annexure A

to the Independent Auditor's Report on the Standalone Financial Statements of Protean eGov Technologies Limited (Formerly NSDL e-Governance Infrastructure Limited) for the year ended 31 March 2023

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

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

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

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

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

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

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

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

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

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

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.

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

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

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

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

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

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

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

According to the information and explanations given to us, there were no dues on Goods and Service Tax, Income Tax, Provident Fund, Sales Tax, Service Tax, Duty of Customs, Value Added Tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Name of the statute	Nature of the dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Maharashtra Value Added Tax Act, 2002	Sales Tax, Interest and Penalty	21.18**	FY 2015-16	Appellate Tribunal	
Central Service Tax Act, 1956	Central Sales Tax, Interest and Penalty	0.03	FY 2015-16	Appellate Tribunal	
Income tax Act, 1961	Income tax	0.02	AY 2004-05	AO	
Income tax Act, 1961	Income Tax	2.75	AY 2010-11	AO	
Income tax Act, 1961	Income Tax	1.16	AY 2011-12	AO	
Income tax Act, 1961	Income Tax	0.98	AY 2012-13	CIT (A)	
Income tax Act, 1961	Income tax	0.01	AY 2015-16	AO	
Income tax Act, 1961	Income Tax	0.55	AY 2016-17	CIT (A)	
Income tax Act, 1961	Income Tax	5.39	AY 2017-18	AO	
Income tax Act, 1961	Income Tax	1.74	AY 2018-19	AO	
Income tax Act, 1961	Income Tax	58.44	AY 2019-20	AO	
Income tax Act, 1961	Income Tax	0.23	AY 2020-21	AO	

*** These amounts are net of amount paid under protest ₹ 1.42 crore*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Shabbir Readymadewala
Partner
Membership No.: 100060
ICAI UDIN:23100060BGWOAG1096

Place: Mumbai
Date: 19 May 2023

Annexure B

to the Independent Auditor's Report on the standalone financial statements of Protean eGov Technologies Limited (Formerly NSDL e-Governance Infrastructure Limited) for the year ended 31 March 2023

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

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Protean eGov Technologies Limited (Formerly NSDL e-Governance Infrastructure Limited) ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

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

Shabbir Readymadewala
Partner
Membership No.: 100060
ICAI UDIN:23100060BGWOAG1096

Place: Mumbai
Date: 19 May 2023

Balance Sheet
as at 31 March 2023

Currency : (₹ in Crore)

		Particulars	Note	As at 31.03.2023	As at 31.03.2022
		ASSETS			
1	**Non-current assets**				
	a	Property, Plant and Equipment	2a	51.78	50.68
	b	Capital work-in-progress	2b	-	1.17
	c	Right-of-use assets	26	7.91	12.18
	d	Other intangible assets	2a	3.62	1.68
	e	Intangible assets under development	2b	10.72	3.32
	f	Financial assets			
	i	Investments	3	534.44	319.32
	ii	Other financial assets	4	46.14	17.58
	g	Deferred tax assets (net)	5	20.83	19.85
	h	Income tax assets (net)	5	31.28	26.97
	i	Other non-current assets	6	0.15	5.63
		Total non-current assets		**706.87**	**458.38**
2	**Current assets**				
	a	Financial assets			
	i	Investments	7	5.10	55.35
	ii	Trade receivables	8	208.68	200.39
	iii	Cash and cash equivalents	9	17.07	206.25
	iv	Bank balances other than iii above	10	110.89	16.28
	v	Other financial assets	4	24.22	15.40
	b	Other current assets	6	31.96	36.74
		Total current assets		**397.92**	**530.41**
		Total assets		**1,104.79**	**988.79**
		EQUITY AND LIABILITIES			
1	**Equity**				
	a	Equity share capital	11	40.42	40.38
	b	Other equity	12	817.72	748.28
		Total equity		**858.14**	**788.66**
2	**Liabilities**				
	1	**Non-current liabilities**			
	a	Financial liabilities			
	i	Lease liabilities	26	3.95	7.92
	b	Provisions	15	15.44	15.18
	c	Other non-current liabilities	16	-	1.37
		Total non current liabilities		**19.39**	**24.47**
	2	**Current liabilities**			
	a	Financial liabilities			
	i	Lease liabilities	26	3.97	3.76
	ii	Trade payables			
		Total dues of micro enterprises and small enterprises	13 & 35	19.19	5.66
		Total dues of creditors other than micro enterprises and small enterprises	13	112.31	90.04
	iii	Other financial liabilities	14	21.50	13.40
	b	Other current liabilities	16	64.21	53.66
	c	Provisions	15	6.08	5.22
	d	Income tax liabilities (net)	5	-	3.92
		Total current liabilities		**227.26**	**175.66**
		Total equity and liabilities		**1,104.79**	**988.79**
		Summary of significant accounting policies and the accompanying notes are an integral part of the financial statements.	1 to 43		

As per our report of even date attached

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

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date: 19 May 2023

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

Shailesh Haribhakti
Chairman
DIN-00007347

Suresh Sethi
Managing Director and CEO
DIN-06426040

Jayesh Sule
Whole Time Director
DIN-07432517

Sudeep Bhatia
Chief Financial Officer

Place : Mumbai
Date: 19 May 2023

Maulesh Kantharia
Company Secretary

Statement of Profit and Loss

for the year ended 31 March 2023

Currency : (₹ in Crore)

	Note	For the year ended 31.03.2023	For the year ended 31.03.2022
Income			
Revenue From Operations	17	741.74	690.91
Other Income (including profit on sale of Bangalore data centre ₹ Nil (31 March 2022 ₹ 43.90 Crore))	18	41.17	78.80
Total Income		**782.91**	**769.71**
Expenses			
Employee benefits expense	19	121.39	78.69
Finance costs	26	0.93	0.48
Depreciation and amortization expense	2&26	18.28	16.84
Allowance for expected credit loss		17.55	30.37
Other expenses	20	483.83	457.83
Total Expenses		**641.98**	**584.21**
Profit before tax		140.93	185.50
Less : Tax expenses			
Current tax	5	34.34	52.49
Deferred tax	5	(0.98)	(10.84)
Total tax expenses		**33.36**	**41.65**
Profit for the year (A)		**107.57**	**143.85**
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the defined benefit liability / asset (net of tax)	22	(0.83)	3.63
Total other comprehensive income/(loss) (net of tax) (B)		**(0.83)**	**3.63**
Total comprehensive income (A+B)		**106.74**	**147.48**
Earnings per share			
- Basic (₹)	21	26.63	35.76
- Diluted (₹)	21	26.61	35.72
Summary of significant accounting policies and the accompanying notes are an integral part of the financial statements.	1 to 43		

As per our report of even date attached

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

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date: 19 May 2023

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

Shailesh Haribhakti
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Managing Director and CEO
DIN-06426040

Jayesh Sule
Whole Time Director
DIN-07432517

Sudeep Bhatia
Chief Financial Officer

Place : Mumbai
Date: 19 May 2023

Maulesh Kantharia
Company Secretary

Statement of Changes in Equity
for the year ended 31 March 2023

A. EQUITY SHARE CAPITAL

(₹ in Crore)

Balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
40.38	0.04	40.42

(₹ in Crore)

Balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
40.13	0.25	40.38

B. OTHER EQUITY

(₹ in Crore)

Particulars	Other equity#						Total
	Reserves and surplus					Items of OCI	
	Capital redemption reserve	General reserve	Retained earnings	ESOP reserve	Securities premium	Other items of Comprehensive Income	
Balance as at 1 April 2022	**25.00**	**398.64**	**313.84**	**2.25**	**16.61**	**(8.06)**	**748.28**
Profit for the year	-	-	107.57	-	-	-	107.57
Other comprehensive loss	-	-	-	-	-	(0.83)	(0.83)
Share based payment expense	-	-	-	2.34	-	-	2.34
Transfer from ESOP Reserve on exercise of stock options	-	-	-	(1.46)	1.46	-	-
Issue of shares on account of exercise of stock options	-	-	-	-	0.74	-	0.74
Dividend (Refer Note 41)	-	-	(40.38)	-	-	-	(40.38)
Balance as at 31 March 2023	**25.00**	**398.64**	**381.03**	**3.13**	**18.81**	**(8.89)**	**817.72**

Statement of Changes in Equity (contd.)

for the year ended 31 March 2023

(₹ in Crore)

Particulars	Other equity#						Total
	Reserves and surplus					Items of OCI	
	Capital redemption reserve	General reserve	Retained earnings	ESOP reserve	Securities premium	Other items of Comprehensive Income	
Balance as at 1 April 2021	**25.00**	**398.64**	**206.26**	**4.70**	**5.25**	**(11.69)**	**628.16**
Profit for the year	-	-	143.85	-	-	-	143.85
Other comprehensive income	-	-	-	-	-	3.63	3.63
Share based payment expense	-	-	-	1.57	-	-	1.57
Transfer from ESOP Reserve on exercise of stock options	-	-	-	(4.02)	4.02	-	-
Issue of shares on account of exercise of stock options	-	-	-	-	7.34	-	7.34
Dividend (Refer Note 41)	-	-	(36.27)	-	-	-	(36.27)
Balance as at 31 March 2022	**25.00**	**398.64**	**313.84**	**2.25**	**16.61**	**(8.06)**	**748.28**

Note:

 # Purpose of Reserve stated as follows:

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

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

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

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

As per our report of even date attached

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

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date: 19 May 2023

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

Shailesh Haribhakti
Chairman
DIN-00007347

Suresh Sethi
Managing Director and CEO
DIN-06426040

Jayesh Sule
Whole Time Director
DIN-07432517

Sudeep Bhatia
Chief Financial Officer

Place : Mumbai
Date: 19 May 2023

Maulesh Kantharia
Company Secretary

Statement of Cash Flows

for the year ended 31 March 2023

Currency : (₹ in Crore)

		For the year ended 31.03.2023	For the year ended 31.03.2022
A)	**Cash flow from operating activities**		
	Profit before tax	**140.93**	**185.50**
	Adjustments for :		
	Depreciation and amortisation	18.28	16.84
	Amortisation of premium / discount on Govt/Debt Securities	1.92	1.96
	Profit on sale/discard of assets (net)	-	(43.90)
	Profit on discard of leased assets (net)	-	(0.25)
	Allowance for expected credit loss	17.55	30.37
	Interest income on financial assets carried at amortised cost	(32.05)	(19.65)
	Interest income on bank deposits	(4.91)	(3.59)
	Finance costs	0.93	0.48
	Share based payments to employees	2.34	1.57
	Profit on sale of investments carried on amortised cost	-	(0.00)
	Dividend income	(1.63)	(1.31)
	Bad debts written off	0.12	-
	Provision for doubtful GST credit	1.16	-
	Provision for doubtful advances	0.78	-
	Interest on security deposit security deposits	(0.18)	-
	Operating cash flow before changes in working capital	**145.24**	**168.02**
	Changes in working capital		
	(Increase) / Decrease in trade receivables	(25.97)	(32.43)
	(Increase) / Decrease in Other financial assets and other assets	8.17	5.30
	Increase / (Decrease) in trade payables	35.80	(3.11)
	Increase / (Decrease) in other financial liabilities, other liabilities and provisions	17.47	4.62
	Cash generated from operations	**180.71**	**142.40**
	Income taxes paid (Net)	(42.57)	(47.88)
	Net cash generated from / (used in) operating activities (A)	**138.14**	**94.52**
B)	**Cash flow from investing activities**		
	Purchase of property plant and equipment including capital advances	(12.26)	(14.24)
	Proceeds from sale of property, plant and equipment	-	132.00
	Purchase of intangible assets including intangible assets under development	(10.88)	(4.76)
	Interest received	32.24	23.24
	Dividend received	1.63	1.31
	Proceeds from sale of non-current investments	-	10.60
	Purchase of non-current investments (net of interest accrued upto date of purchase)	(221.78)	(49.87)
	Proceeds from sale of current investments	55.00	-
	Purchase of current investments	-	(41.19)
	Investment in subsidiaries	-	(8.00)
	(Investment)/Liquidation of fixed deposit	(126.98)	25.42
	Maturity / (Placement) of restricted deposit	-	0.39
	Net cash generated from / (used in) investing activities (B)	**(283.03)**	**74.90**

Statement of Cash Flows (contd.)

for the year ended 31 March 2023

Currency : (₹ in Crore)

		For the year ended 31.03.2023	For the year ended 31.03.2022
C)	Cash flow from financing activities		
	Proceeds from exercise of stock options	0.78	7.58
	Dividend paid	(40.38)	(36.27)
	Lease liability paid	(3.76)	(4.46)
	Interest on lease liability	(0.93)	(0.48)
	Net cash from / (used in) financing activities (C)	(44.29)	(33.63)
	Net increase in cash and cash equivalents at the end of the year (A+B+C)	**(189.18)**	**135.79**
	Cash and cash equivalents at the beginning of the year	**206.25**	**70.46**
	Cash and cash equivalents at the end of the year	**17.07**	**206.25**

Notes to Cash Flow Statement :

1 Cash and cash equivalents represents cash, bank balances and bank deposits with original maturity of less than three months.

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

3	**Changes in liabilities arising from financing activities**	**31.03.2023**	**31.03.2022**
	Opening balance of lease liabilities	11.68	6.19
	Addition	-	12.04
	Interest accrued during the year	0.93	0.48
	Termination	-	2.09
	Cash flow movement	4.69	4.94
	Closing balance of lease liabilities	**7.92**	**11.68**

As per our report of even date attached

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

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date: 19 May 2023

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

Shailesh Haribhakti
Chairman
DIN-00007347

Suresh Sethi
Managing Director and CEO
DIN-06426040

Jayesh Sule
Whole Time Director
DIN-07432517

Sudeep Bhatia
Chief Financial Officer

Place : Mumbai
Date: 19 May 2023

Maulesh Kantharia
Company Secretary

Notes to Standalone Financial Statements

for the year ended March 31, 2023

1. CORPORATE INFORMATION

Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited) ("the Company") was incorporated in December 1995, is engaged in providing Information Technology (IT) enabled e-Governance services. The current projects of the Company are Central Recordkeeping Agency (CRA) under the National Pension System regulated by Pension Fund Regulatory and Development Authority (PFRDA); Tax Information Network (TIN), the activity of processing the applications for allotment of Permanent Account Number (PAN) and were acting as a Registrar to Unique Identification Authority of India (UIDAI), Planning Commission, Government of India.

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

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

The standalone financial statements for the year ended 31 March 2023 were approved for issue in accordance with the resolution of the Company's Board of Directors on 19 May 2023.

1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a) Statement of compliance

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

All assets and liabilities have been classified as current and non-current as per the Companies normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the company has considered an operating cycle of 12 months.

b) Basis of preparation of standalone financial statements

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

These standalone financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting year. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

c) Use of judgements and estimates

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

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

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

The areas involving significant judgement and estimates are as follows:

Judgements:

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

- Note 17: Revenue recognition
- Note 23: Fair value measurement of financial assets
- Note 26: Leases
- Note 3 and 7: Classification of investments

Estimates:

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

- Note 22: Defined benefit
- Note 2: Property, plant and equipment
- Note 26: Leases
- Note 5: Income taxes
- Note 23: Fair value measurement of financial instruments
- Note 30: Share based payments
- Note 18: Other income
- Note 17: Revenue recognition
- Note 8: Trade receivables

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

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

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Leases

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

Income taxes

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

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the year in which those temporary differences and tax loss carry-forwards become deductible. The company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward year are reduced.

Fair value measurement of financial instruments

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

Share based payments:

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

Interest income

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

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

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) Revenue Recognition

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

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

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

(1) identify the contract with a customer,

(2) identify the performance obligations in the contract,

(3) determine the transaction price,

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

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

Performance obligations

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

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

Determination of transaction price

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

Allocation of transaction price

A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, the company allocates the contract's transaction price to each performance obligation based on the relative standalone selling price. The primary method used to estimate standalone selling price is the adjusted market assessment approach, under which the company evaluates the price in that market that a customer is willing to pay for those services.

While determining relative standalone selling price and identifying separate performance obligations require judgment, generally relative standalone selling prices and the separate performance obligations are readily identifiable as the company sells those performance obligations unaccompanied by other performance obligations.

Satisfaction of performance obligation

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

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

i) Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

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

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

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

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

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

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

Use of significant judgements in revenue recognition:

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

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

The company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

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

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

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

Practical expedients used

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

e) Property, plant and equipment

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

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

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

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

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

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

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

f) Leases

The company as a lessee

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

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

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

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

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

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

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

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

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

g) Depreciation and amortisation

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

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

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

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

Computer Software is amortized over a period of 2 years.

Depreciation is not recorded on capital work-in-progress until installation is complete and the asset is ready for its intended use. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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

h) Intangible assets

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

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

Research cost are expensed as incurred.

Development costs

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

- The technical feasibility of completing the intangible asset so that the asset will be available for use
- Its intention to complete and its ability and intention to use the asset

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

- How the asset will generate future economic benefits
- The ability to measure reliably the expenditure during development

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

i) **Impairment of tangible and intangible assets**

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

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

j) **Foreign currency transactions and translation**

Transactions and translations

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

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

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

k) **Employee benefit costs**

- **Short- term employee benefits**

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

- **Post-Employment benefits**

  Defined Contribution plans

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

  Superannuation: Certain employees of the company are participants in a defined contribution plan. The company has no further obligations to the Plan beyond its annual

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

contributions which are contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India

Defined benefit Plans

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

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

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

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

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

The effects of any plan amendments are recognised in statement of profit and loss.

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

i) Income Tax

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

Current tax

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

Deferred tax

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

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

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

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

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

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

j) Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the standalone financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. A contingent asset is not recognised in the standalone financial statements, however, the same is disclosed where an inflow of economic benefit is probable.

k) Cash Flow statement

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

l) Cash and Bank balances

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

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

m) Earnings per share

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

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

n) Dividend income

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

o) Financial instruments

Initial recognition

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

Subsequent measurement

Financial assets

Financial assets are classified into the following specified categories: financial assets "at amortised cost", "fair value through other comprehensive income", "fair value through Profit or Loss". The

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset at the time of initial recognition.

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

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

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

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

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

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

Loans and receivables

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

Impairment of financial assets

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

Loans and receivables and derecognition of financial assets

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

Subsequent measurement

Financial assets carried at amortised cost

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

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Investment in subsidiaries

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

Financial liabilities and equity instruments

Equity instruments

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

Financial liabilities

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

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

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

Derecognition of financial liabilities

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

Non-current Assets Held for Sale and Discontinued Operations

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

Offsetting arrangements

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

p) Share based payment

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

q) Corporate Social Responsibility (CSR) Expenditure

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

r) Dividends

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

Notes to Standalone Financial Statements (cont..)
as at 31 March 2023

2 PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

2(a)

Currency : (₹ inCrore)

Particulars	Property, plant, equipment							Other intangible assets	
	Building	Computers	Data and Telecommunication equipment	Electric installation	Office equipment	Furniture and fixtures	Total	Computer softwares (others)	Total
Gross carrying value as of 1 April 2022	**52.91**	**94.58**	**19.15**	**5.39**	**9.63**	**6.80**	**188.46**	**51.89**	**51.89**
Additions	0.47	9.47	1.92	-	0.49	0.05	12.40	4.65	4.65
Deletions	-	-	-	-	-	-	-	-	-
Gross carrying value as of 31 March 2023	**53.38**	**104.05**	**21.07**	**5.39**	**10.12**	**6.85**	**200.86**	**56.54**	**56.54**
Accumulated depreciation as of 1 April 2022	**40.54**	**67.10**	**14.25**	**4.13**	**7.63**	**4.13**	**137.78**	**50.21**	**50.21**
Depreciation	0.21	8.28	1.56	0.17	0.64	0.44	11.30	2.71	2.71
Accumulated depreciation on deletion	-	-	-	-	-	-	-	-	-
Accumulated depreciation as of 31 March 2023	**40.75**	**75.38**	**15.81**	**4.30**	**8.27**	**4.57**	**149.08**	**52.92**	**52.92**
Carrying value as of 31 March 2023	**12.63**	**28.67**	**5.26**	**1.09**	**1.85**	**2.28**	**51.78**	**3.62**	**3.62**

Currency : (₹ inCrore)

Particulars	Property, plant, equipment							Other intangible assets	
	Building	Computers	Data and Telecommunication equipment	Electric installation	Office equipment	Furniture and fixtures	Total	Computer softwares (others)	Total
Gross carrying value as of 1 April 2021	**52.91**	**84.22**	**18.25**	**5.22**	**8.95**	**6.80**	**176.35**	**50.20**	**50.20**
Additions	-	10.36	0.90	0.17	0.68	-	12.11	1.69	1.69
Deletions	-	-	-	-	-	-	-	-	-
Gross carrying value as of 31 March 2022	**52.91**	**94.58**	**19.15**	**5.39**	**9.63**	**6.80**	**188.46**	**51.89**	**51.89**
Accumulated depreciation as of 1 April 2021	**40.33**	**59.33**	**12.63**	**3.98**	**7.02**	**3.68**	**126.97**	**48.87**	**48.87**
Depreciation	0.21	7.77	1.62	0.15	0.61	0.45	10.81	1.34	1.34
Accumulated depreciation on deletion	-	-	-	-	-	-	-	-	-
Accumulated depreciation as of 31 March 2022	**40.54**	**67.10**	**14.25**	**4.13**	**7.63**	**4.13**	**137.78**	**50.21**	**50.21**
Carrying value as of 31 March 2022	**12.37**	**27.48**	**4.90**	**1.26**	**2.00**	**2.67**	**50.68**	**1.68**	**1.68**

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

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

2(b) Capital work-in-progress

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

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Balance as at beginning of the year	1.17	1.34
Additions	-	15.96
Capitalisation	(1.17)	(16.13)
Balance as at end of the year	**-**	**1.17**

(ii) Intangible assets under development

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Balance as at beginning of the year	3.32	0.08
Additions	9.00	8.20
Capitalisation	(1.60)	(4.96)
Balance as at end of the year	**10.72**	**3.32**

Capital-Work-in Progress

(₹ in Crore)

Particulars	Amount in CWIP for the year ended 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (on tangible assets)	-	-	-	-	-
Projects in progress (intangible assets under development)	8.51	2.21	-	-	10.72

(₹ in Crore)

Particulars	Amount in CWIP for the year ended 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (on tangible assets)	1.17	-	-	-	1.17
Projects in progress (intangible assets under development)	3.32	-	-	-	3.32

Note:- Intangible assets under development completion schedule is not disclosed as the completion of all projects is not overdue and it has not exceeded its cost as compared to original plan.

Notes to Standalone Financial Statements (cont..)
as at 31 March 2023

3 NON-CURRENT INVESTMENTS

A Fully Paid Unquoted Equity Investments

		Face value	As at 31.03.2023		As at 31.03.2022	
			Holdings as at	(₹ in Crore)	Holdings as at	(₹ in Crore)
Investment in Subsidairy Companies (at cost)						
1	NSDL E-Governance Account Aggregator Limited	₹ 10	2,999,994	3.00	2,999,994	3.00
2	NSDL E-Governance (Malaysia) Sdn Bhd	MYR 1	510	-	510	-
3	Protean eGov Technologies Australia Pty Ltd	AUD 1	1,000	0.01	1,000	0.01
4	Protean Infosec Services Limited	₹ 10	8,000,000	8.00	8,000,000	8.00
Investment in other Companies (at cost)						
1	Open Network for Digital Commerce	₹ 100	1,000,000	10.00	1,000,000	10.00
	Total (A)			**21.01**		**21.01**

B Quoted debt securities investments at amortised cost :

(₹ in Crore)

		Rate of interest %	Year of maturity	No. of bonds/ debentures/ securities	Face value	As at 31.03.2023	As at 31.03.2022
Investment in Bonds							
1	Indian Railway Finance Corporation Limited	8.10	2027	50,000	1,000	5.34	5.34
2	National Highway Authority of India Limited	8.30	2027	200,000	1,000	21.82	21.82
3	Indian Railway Finance Corporation Limited	7.34	2028	250,000	1,000	25.74	25.74
4	National Highway Authority of India Limited	8.50	2029	80,000	1,000	8.00	8.00
5	Rural Electrification Corporation	8.63	2029	50,000	1,000	5.00	5.00
6	National Thermal Power Corporation Limited	7.37	2035	6,246	1,000	0.63	0.63
7	National Thermal Power Corporation Limited	7.15	2025	90	1,000,000	9.12	9.12
8	Power Finance Corporation Limited	8.46	2028	150	1,000,000	16.72	16.72
9	Rural Electrification Corporation	8.46	2028	250	1,000,000	28.94	28.94
10	National Bank for Agriculture and Rural Development	7.35	2031	50,000	1,000	5.26	5.26
11	National Hydroelectric Power Corporation Limited	8.67	2033	50,000	1,000	6.34	6.34
12	National Bank for Agriculture and Rural Development	7.35	2031	100,000	1,000	11.17	11.17
13	Indian Renewable Energy Development Agency Limited	7.17	2025	270	1,000,000	28.77	28.77
14	National Highway Authority of India Limited	7.35	2031	100,000	1,000	11.25	11.25
15	National Highway Authority of India Limited	7.39	2031	50,000	1,000	5.56	5.56

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

(₹ in Crore)

		Rate of interest %	Year of maturity	No. of bonds/ debentures/ securities	Face value	As at 31.03.2023	As at 31.03.2022
16	Indian Railway Finance Corporation Limited	7.35	2031	150,000	1,000	16.63	16.63
17	National Hydroelectric Power Corporation Limited	8.18	2023	50,000	1,000	-	5.38
18	HDB Financial Services Limited	10.19	2024	1	1,000,000	-	0.10
19	Indian Railway Finance Corporation Limited	9.09	2026	2	1,000,000	0.20	0.20
20	Power Finance Corporation Limited	8.94	2028	4	1,000,000	0.41	0.41
21	Indian Railway Finance Corporation Limited	8.79	2030	1	1,000,000	0.10	0.10
22	National Highway Authority of India Limited	7.26	2038	50	1,000,000	5.01	5.01
23	National Highway Authority of India Limited	7.26	2038	250	1,000,000	20.09	20.09
24	Indian Railway Finance Corporation Limited	6.95	2036	150	1,000,000	14.77	14.77
25	Power Finance Corporation Limited	9.10	2029	50	1,000,000	5.12	5.12
Investment in Non Convertible Debentures							
26	IDFC Bank Limited	8.80	2025	10	1,000,000	1.00	1.00
27	India Infrastructure Finance Company Limited	9.41	2037	5	1,000,000	0.56	0.56
28	National Housing Bank	8.63	2029	7,220	5,000	3.61	3.61
29	National Housing Bank	8.68	2029	40,000	5,000	20.53	20.53
30	National Housing Bank	8.46	2028	40	1,000,000	4.43	4.43
31	National Housing Bank	8.76	2034	20,000	5,000	12.41	12.41
32	National Housing Bank	8.68	2029	10,000	5,000	5.91	5.91
Quoted Debt Securities Investments at amortized cost :							
Investment in Government Securities							
33	Government of India (GOI)	7.54	2036	7,500,000	100	74.56	-
34	Government of India (GOI)	9.23	2043	60,000	10,000	70.29	-
35	Government of India (GOI)	7.40	2035	4,000,000	100	40.09	-
Investment in State Development Loan							
36	Tamilnadu State Development Loan	6.63	2035	4,000,000	100	36.84	-
						522.22	**305.92**
	Less : Amortisation of premium					8.79	7.55
	Less : Provision for impairment of assets					-	0.06
	Total (B)					**513.43**	**298.31**
	Total (A) + (B)					**534.44**	**319.32**
	Aggregate book value of quoted investments {Non-current + Current-(Note 7)}					539.54	374.67
	Aggregate market value of quoted investments {Non-current + Current-(Note 7)}					570.64	404.95

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

4 OTHER FINANCIAL ASSETS

(Unsecured considered good)

(₹ in Crore)

	Non-current		Current	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Others				
Security deposits	6.30	10.11	0.05	-
Interest accrued on investments	-	-	14.39	10.26
Interest accrued on bank deposits	-	-	1.75	1.16
Restricted deposits with banks against performance guarantee	11.00	7.47	-	-
Bank Deposits with maturity for more than 12 months	28.84	-	-	-
Other financial receivable*	-	-	8.03	3.98
Total	**46.14**	**17.58**	**24.22**	**15.40**

** Cost incurred towards listing related procedures, recoverable from selling shareholders.*

5 INCOME TAXES

(A) The major components of income tax expense for the year ended 31 March 2023 and 31 March 2022 are:

Profit and loss section

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Current taxes	34.34	52.49
Deferred taxes	(0.98)	(10.84)
Income tax expense reported in the statement of profit and loss	**33.36**	**41.65**

Other Comprehensive Income (OCI) section

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

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Re-measurement of the defined benefit liability / asset	-	-
	-	**-**

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

(₹ in Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Profit before income taxes	140.93	185.50
Applicable enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	35.47	46.69
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	(4.90)	(5.16)
Expense not allowed for taxation purpose	1.89	2.10
Others	0.90	(1.98)
Total income tax expense	**33.36**	**41.65**

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

The movement in the current income tax asset/ (liability) for the year ended 31 March 2023 and year ended 31 March 2022 as follows:

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Net current income tax asset/ (liability) at the beginning	23.05	27.67
Income tax paid	42.57	47.88
Current income tax expense	(34.34)	(52.48)
Net current income tax liability at the end	-	(3.92)
Net non current income tax assets at the end	31.28	26.97

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

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Deferred tax assets		
Provision for compensated absences	4.11	3.80
Allowance for expected credit loss	19.43	17.69
Total deferred tax assets	**23.54**	**21.49**
Deferred tax liabilities		
Difference between tax balance and book balance of fixed assets	2.62	1.38
Others	0.09	0.26
Total deferred tax liabilities	**2.71**	**1.64**
Deferred tax assets (net)	**20.83**	**19.85**

The gross movement in the deferred tax account for the year ended 31 March 2023 and 31 March 2022, is as follows:

(₹ in Crore)

	31.03.2023			31.03.2022		
	Opening balance	Recognised in profit and loss	Closing balance	Opening balance	Recognised in profit and loss	Closing balance
Deferred tax assets/(liabilities) in relation to:						
Property, plant and equipment and intangible assets	(1.38)	(1.24)	(2.62)	(5.09)	3.71	(1.38)
Provision for compensated absences	3.80	0.31	4.11	3.58	0.22	3.80
Employee incentives payable			-	-	-	-
Deferred revenue	-	-	-	(0.01)	0.01	-
Allowance for expected credit loss	17.69	1.74	19.43	10.33	7.36	17.69
Others	(0.26)	0.17	(0.09)	0.20	(0.46)	(0.26)
Total deferred tax assets/(liabilities)	**19.85**	**0.98**	**20.83**	**9.01**	**10.84**	**19.85**

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

6 OTHER ASSETS

(Unsecured considered good)

(₹ in Crore)

		Non-current		Current	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
(A)	**Capital advances**	0.10	0.14	-	-
(B)	**Reimbursement of expenses recoverable from subsidiary**	-	0.78	1.36	-
	(Refer Note 25)				
	Less: Allowance for doubtful advances	-	-	(0.78)	-
		-	**0.78**	**0.58**	**-**
(C)	**Other advances**				
	Prepaid expenses	0.05	0.60	7.21	9.30
	Deferred expenses	-	4.11	-	2.20
	GST credit receivable*	-	-	7.03	11.92
	Advance to suppliers	-	-	17.09	13.27
	Other assets	-	-	0.05	0.05
		0.05	**4.71**	**31.38**	**36.74**
		0.15	**5.63**	**31.96**	**36.74**

* GST credit receivable as on 31.03.2023 is after adjusting ₹ 5.32 Crore provision for doubtful GST credit receivable (31.03.2022 - ₹ 3.38 Crore).

7 CURRENT INVESTMENTS

		Year of maturity	Rate of interest	As at 31 March 2023			As at 31 March 2022		
				No. of Units	Face Value	(₹ in Crore)	No. of Units	Face Value	(₹ in Crore)
Quoted debt securities investments at amortised cost :									
Non convertible debentures									
Current portion of Non Convertible Debentures									
1	Infrastructure Leasing & Finance Services Limited	2023	9.55	-	-	-	550	1,000	0.06
Bonds									
2	Rural Electrification Corporation	2022	9.35	-	-	-	4	1,000,000	0.40
3	EXIM Bank Limited	2022	9.25	-	-	-	2	1,000,000	0.20
4	HDB Financial Services Limited	2023	9.60	-	-	-	2	1,000,000	0.20
5	Rural Electrification Corporation	2022	7.21	-	-	-	130	1,000,000	13.29
6	National Hydroelectric Power Corporation Limited	2023	8.18	50,000	1,000	5.38	-	-	-
7	HDB Financial Services Limited	2024	10.19	1	1,000,000	0.10	-	-	-

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

		Year of maturity	Rate of interest	As at 31 March 2023 No. of Units	As at 31 March 2023 Face Value	As at 31 March 2023 (₹ in Crore)	As at 31 March 2022 No. of Units	As at 31 March 2022 Face Value	As at 31 March 2022 (₹ in Crore)
Investments carried at fair value through profit or loss :									
Liquid Mutual funds									
1	Axis Liquid Fund - Direct Plan - Daily IDCW	-	-	-	-	-	51,434	1,001	5.15
2	UTI Liquid Cash Plan - Direct Plan - Daily Reinvestment of IDCW	-	-	-	-	-	49,486	1,043	5.16
3	LIC MF Liquid Fund- Direct Plan - IDCW	-	-	-	-	-	50,805	1,014	5.15
4	ICICI Prudential Liquid Fund - Direct Plan - Daily IDCW	-	-	-	-	-	514,207	100	5.15
5	Aditya Birla Sun Life Money Manager Fund- Daily IDCW	-	-	-	-	-	513,947	100	5.15
6	Sundaram Liquid Fund (Formerly Principal Cash Management Fund- Direct Plan IDCW Daily Reinvestment)	-	-	-	-	-	51,419	1,001	5.15
7	IDFC Cash Fund- Daily IDCW	-	-	-	-	-	51,375	1,002	5.15
8	Canara Robeco Liquid Fund- Direct Daily IDCW	-	-	-	-	-	51,149	1,006	5.14
	Less : Amortisation of premium on Bonds / Non Convertible Debentures					0.38			-
	Total					**5.10**			**55.35**

8 TRADE RECEIVABLES

(₹ in Crore)

Particulars	Current 31.03.2023	Current 31.03.2022
Trade receivable considered good - unsecured	285.89	270.68
Less: Allowance for expected credit loss (Refer Note 23.3)	77.21	70.29
Total	**208.68**	**200.39**

An amount of ₹ 92 Crore is receivable as at 31 March 2023 from Income Tax Department (ITD) towards physical storage of PAN applications (₹ 59 Crore) and towards NJRS project (software development, support and maintenance services) (₹ 33 Crore), of which ₹ 45 Crore is outstanding for more than 3 years. Approval for release of payments towards storage is under process. For NJRS payments, ITD has recently engaged National Institute of Smart Governance (NISG) for verification of SLAs which is in progress.

Based on the expected credit loss model followed as per Ind AS 109 'Financial Instruments', the company has recognized provision of ₹ 45 Crore which covers amount overdue for more than 3 years.

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

The following ageing schedule shows the Trade receivables due from the transaction date:

Particulars	Outstanding for following periods due from the transaction date as on 31 March 2023					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	117.24	11.90	13.26	16.56	15.95	174.91
(ii) Undisputed Trade Receivables – considered doubtful	15.00	0.54	7.79	11.22	30.82	65.37
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	11.19	11.19
(iv) Disputed Trade Receivables considered doubtful	-	-	-	10.54	8.39	18.93
						270.40
Add: Unbilled						15.49
Total						**285.89**

Particulars	Outstanding for following periods due from the transaction date as on 31 March 2022					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	110.80	14.42	18.84	25.44	20.34	189.84
(ii) Undisputed Trade Receivables – considered doubtful	3.02	2.57	14.27	19.76	10.55	50.17
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	11.19	-	11.19
(iv) Disputed Trade Receivables considered doubtful	-	-	10.54	8.39	-	18.93
						270.13
Add: Unbilled						0.55
Total						**270.68**

9 CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Cash and cash equivalents		
Cash on hand	0.01	0.01
Balances with banks in current accounts	9.06	79.21
Cheques in hand	-	2.03
Bank Deposits with original maturity for less than 3 months	8.00	125.00
	17.07	**206.25**

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

10 OTHER BANK BALANCES

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Bank Deposits with original maturity for more than 3 months but less than 12 months	110.89	16.28
	110.89	**16.28**

Portion of deposits held as restricted deposits with bank against performance guarantee are recognised under Note 4 'Other financial assets'

11 EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Authorised		
50,00,00,000 (31 March 2022: 50,00,00,000) equity shares of ₹ 10 each.	500.00	500.00
Issued, Subscribed and Paid-up		
4,04,21,394 (31 March 2022: 4,03,84,076) equity shares of ₹ 10 each fully paid up	40.42	40.38
	40.42	**40.38**

a) Reconciliation of number of shares

(₹ in Crore)

	31.03.2023		31.03.2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Opening balance	40,384,076	40.38	40,139,462	40.14
Issued during the year	37,318	0.04	244,614	0.24
Closing balance	40,421,394	40.42	40,384,076	40.38

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

	31.03.2023		31.03.2022	
	Numbers of Shares Held	% of Holding	Numbers of Shares Held	% of Holding
NSE Investments Limited	10,018,000	24.78	10,018,000	24.81
IIFL Special Opportunities Fund	2,894,507	7.16	2,894,507	7.17
Administrator of Specified Undertaking of Unit Trust of India	2,732,000	6.76	2,732,000	6.77
IIFL Special Opportunities Fund – Series 4	2,499,178	6.18	2,499,178	6.19
IIFL Special Opportunities Fund – Series 2	2,016,366	4.99	2,016,366	4.99

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

d) Shareholding of Promoters as below

Shares held by promoters at the end of the year

Promoter name	As at 31.03.2023		
	No. of Shares	% of total shares	% Change during the year
There is no promoter holding at the end of the year	-	-	-

Promoter name	As at 31.03.2022		
	No. of Shares	% of total shares	% Change during the year
There is no promoter holding at the end of the year	-	-	-

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

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

12 OTHER EQUITY

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
a) Capital redemption reserve		
Balance at the beginning of the year	25.00	25.00
Balance at the end of the year	**25.00**	**25.00**
b) General reserve		
Balance at the beginning of the year	398.64	398.64
Balance at the end of the year	**398.64**	**398.64**
c) Retained earnings		
Balance at the beginning of the year	313.84	206.26
(i) Dividend	(40.38)	(36.27)
(ii) Profit for the year	107.57	143.85
Balance at the end of the year	**381.03**	**313.84**
d) Other comprehensive income		
Balance at the beginning of the year	(8.06)	(11.69)
Re-measurement of the defined benefit net liability / asset	(0.83)	3.63
Balance at the end of the year	**(8.89)**	**(8.06)**
e) ESOP reserve		
Balance at the beginning of the year	2.25	4.70
(i) Share based payment expense	2.34	1.57
(ii) Transfer to Securities Premium on exercise of stock options	(1.46)	(4.02)
Balance at the end of the year	**3.13**	**2.25**
f) Securities premium		
Balance at the beginning of the year	16.61	5.25
(i) Issue of shares to employees on account of exercise of stock options	0.74	7.34
(ii) Transfer from ESOP Reserve on exercise of stock options	1.46	4.02
Balance at the end of the year	**18.81**	**16.61**
	817.72	**748.28**

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

13 TRADE PAYABLES

(₹ in Crore)

Particulars	Current	
	31.03.2023	31.03.2022
Trade payables		
Dues of micro enterprises and small enterprises (Refer Note 35)	19.19	5.66
Dues of creditors other than micro enterprises and small enterprises	112.31	90.04
	131.50	**95.70**

The following ageing schedule shows the Trade payables due for payment from the transaction date:

Particulars	Outstanding for following year from due date of payment as on 31 March 2023				
	Not due and less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	19.19	-	-	-	19.19
Others	83.64	4.52	5.90	18.25	112.31
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Particulars	Outstanding for following year from due date of payment as on 31 March 2022				
	Not due and less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	5.66	-	-	-	5.66
Others	52.00	8.05	11.35	18.64	90.04
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

14 OTHER FINANCIAL LIABILITIES

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Creditors for capital expenditure	0.34	0.24
Directors' commission payable	0.99	1.28
Employee benefits payable	1.23	1.15
Employee incentives payable	16.91	9.25
Other liabilities	2.03	1.48
Total	**21.50**	**13.40**

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

15 PROVISIONS

(₹ in Crore)

	Non-current		Current	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Provision for employee benefits				
Provision for gratuity (Refer Note 22)	1.03	2.01	4.17	3.27
Provision for compensated absences	14.41	13.17	1.91	1.95
Total	**15.44**	**15.18**	**6.08**	**5.22**

16 OTHER LIABILITIES

(₹ in Crore)

	Non-current		Current	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Contract liability*	-	1.37	43.05	37.85
Statutory dues payable:				
Goods and services tax payable	-	-	13.82	9.42
TDS payable	-	-	6.38	5.85
Other statutory liabilities	-	-	0.96	0.54
Total	**-**	**1.37**	**64.21**	**53.66**

**includes deferred revenue Nil (31 March 2022: ₹ 5.00 Crore)*

17 REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Sale of services :		
Transaction fees	519.73	485.72
Accounts maintenance fees	221.16	203.86
Other operational income	0.85	1.33
Total	**741.74**	**690.91**

Information about major customers:

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2023, and 31 March 2022.

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

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

During the year ended 31 March 2023, and 31 March 2022, no revenue is earned from sale of distinct software and manufactured systems/traded goods.

(₹ in Crore)

The table below discloses the movement in contract liabilities during the year ended	31.03.2023	31.03.2022
Balance at the beginning of the year	39.22	37.49
Add: Invoices raised/advance received for which no revenue is recognised during the year	22.07	18.75
Less: revenue recognised that was included in the contract liabilities at the beginning of the year	(18.24)	(17.02)
Balance at the end of the year	**43.05**	**39.22**

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

Reconciliation of revenue recognised in the Statement of Profit and Loss with the contracted price

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Contracted price with the customers	741.74	690.91
Less/Add: Adjustments	-	-
Revenue from contracts with customers (as per Statement of Profit and Loss)	**741.74**	**690.91**

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.

18 OTHER INCOME

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Interest income		
- financial assets	32.05	19.65
- bank deposits	4.91	3.59
- overdue trade receivables	-	1.53
- security deposits	0.18	0.76
Dividend income	1.63	1.31
Support charges	0.87	0.59
Rent income	-	1.66
Miscellaneous income	1.53	2.67
Sundry balances written back	-	2.89
Profit on discard of leased assets (net)	-	0.25
Profit on sale of assets (net)	-	43.90
Total	**41.17**	**78.80**

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

19 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Salaries, wages and bonus	101.47	64.72
Share based payment expense	2.34	1.57
Contribution to provident and other funds	11.57	8.76
Staff welfare expenses	6.01	3.64
	121.39	**78.69**

20 OTHER EXPENSES

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Rent	0.64	0.23
Communication expenses	10.67	10.42
Travelling and conveyance expenses	5.58	1.18
Annual fees	11.12	9.98
Processing charges	325.70	336.30
Repairs and maintenance		
- To buildings	3.43	2.51
- To computers, trading and telecommunication systems	89.44	66.12
- To others	2.57	1.78
Insurance	1.78	2.66
Rates and taxes	3.13	1.66
Advertisement and publicity	5.34	4.59
Legal and Professional fees	10.66	9.75
Printing and stationery expenses	0.03	0.18
Payment to auditors (Refer Note below)	0.34	0.43
Electricity charges / power and fuel	3.46	2.66
Directors' sitting fees	1.16	0.67
Directors' commission	1.14	1.44
Bad debts written off	0.12	-
Provision for doubtful GST credit	1.16	-
Provision for doubtful advances	0.78	-
Expenditure incurred on CSR activities (Refer Note 36)	2.91	3.48
Miscellaneous expenses	2.67	1.79
Total	**483.83**	**457.83**

Note :		
Payment to auditors		
As auditors :		
Audit fees (including Limited Review)	0.30	0.35
Tax audit fee	0.03	0.02
In other capacity		
Certification matters	0.01	0.06
Total	**0.34**	**0.43**

Payment to auditors excludes payment related to Public offering which is recoverable from selling shareholders.

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

21 EARNINGS PER SHARE

In accordance with Indian Accounting Standard 33 - "Earnings Per Share" notified under Rule 7 of the Companies (Accounts) Rules, 2014, the required disclosures are given in the table below:

(₹ in Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Net profit attributable to shareholders of the Company	107.57	143.85
Weighted Average number of equity shares for basic EPS	40,390,172	40,231,036
Basic earnings per share of ₹ 10/- each (in ₹)	26.63	35.76
Weighted Average number of equity shares for diluted EPS	40,429,168	40,267,516
Diluted earnings per share of ₹ 10/- each (in ₹)	26.61	35.72

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

(₹ in Crore)

Particulars	1 April 2022 to 31 March 2023		1 April 2021 to 31 March 2022	
	Basic	Diluted	Basic	Diluted
Balance at the beginning of the year	40,384,076	40,384,076	40,139,462	40,139,462
Effect of share options exercised	6,096	45,092	91,574	128,054
Weighted average number of equity shares for the year	40,390,172	40,429,168	40,231,036	40,267,516

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

i) Defined contribution plan:

(a) The Company's contribution towards superannuation amounts to ₹ 1.78 Crore (31 March 2022: ₹ 1.76 Crore). These contributions are made to the fund administered and managed by Life Insurance Corporation of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred.

(b) Provident fund: Eligible employees of the Company receive benefit under the provident fund which is a defined contribution plan wherein both the employee and the Company make monthly contributions equal to a specified percentage of the covered employees' salary. These contributions are made to the fund administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred. The total charge for the year amounts to ₹ 4.75 Crore (31 March 2022 - ₹ 2.67 Crore).

ii) Defined benefit plan :

(a) Gratuity: The 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 actuarial valuation has been performed using projected unit credit method.

(i) Assumptions:

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Weighted average duration of the projected benefit obligation	11	11
Discount rate	7.52%	7.23%
Rate of return on plan assets	7.52%	7.23%
Salary escalation	8.00%	8.00%
Attrition rate	5.00%	5.00%

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

(ii) Sensitivity analysis

(₹ in Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Delta effect of +1% change in rate of discounting	(3.70)	(3.65)
Delta effect of -1% change in rate of discounting	4.27	4.24
Delta effect of +1% change in rate of salary increase	4.21	4.16
Delta effect of -1% change in rate of salary increase	(3.72)	(3.66)
Delta effect of +1% change in rate of employee turnover	(0.19)	(0.26)
Delta effect of -1% change in rate of employee turnover	0.20	0.29

(iii) Table showing change in benefit obligation:

(₹ in Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Liability at the beginning of the year	47.25	43.79
Interest cost	3.41	2.99
Current service cost	3.56	3.63
Benefits paid	(4.76)	(0.63)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	0.02
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.17)	(1.74)
Actuarial (gains)/losses on obligations - due to experience	2.43	(0.81)
Liability at the end of the year	**50.72**	**47.25**

(iv) Table showing fair value of plan assets:

(₹ in Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Fair value of plan assets at the beginning of the year	41.97	34.18
Interest income	3.03	2.32
Contributions	4.86	5.00
Benefits paid	(4.76)	(0.63)
Actuarial gain / (loss) on plan assets	0.42	1.10
Fair value of plan assets at the end of the year	**45.52**	**41.97**

(v) Amount recognised in the Balance Sheet

(₹ in Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Fair value of plan assets as at the end of the year	45.52	41.97
Liability as at the end of the year	50.72	47.25
Net (liability) / asset disclosed in the Balance Sheet	**(5.20)**	**(5.28)**

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

(vi) Net interest cost for current year

(₹ in Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Interest cost	3.41	2.99
Interest income	(3.03)	(2.32)
Net interest cost for current year	**0.38**	**0.67**

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

(₹ in Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Current service cost	3.56	3.63
Net interest cost	0.38	0.67
Expenses recognised in the Statement of profit and loss	**3.94**	**4.30**

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

(₹ in Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Expected return on plan assets	(0.42)	(1.10)
Actuarial (gain) or loss	1.25	(2.53)
Net (income)/expense for the year recognized in OCI	**0.83**	**(3.63)**

(ix) Balance sheet reconciliation

(₹ in Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Opening net liability	5.28	9.61
Expenses recognized in statement of profit and loss	3.95	4.30
Expenses recognized in OCI	0.83	(3.63)
Employer's contribution	(4.86)	(5.00)
Amount recognised in the balance sheet	**5.20**	**5.28**

(x) Category of assets

(₹ in Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
LIC of India - Insurer managed funds	45.50	41.95
Total	**45.50**	**41.95**

(xi) Expected contribution for next year

(₹ in Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Expected contribution for next year	4.17	3.27
Total	**4.17**	**3.27**

Notes to Standalone Financial Statements (cont..)
for the year ended 31 March 2023

(xii) Maturity Analysis of the Benefit Payments

(₹ in Crore)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	6.85	6.98
2nd Following Year	2.37	2.12
3rd Following Year	3.90	2.19
4th Following Year	5.99	3.28
5th Following Year	3.75	5.34
Sum of Years 6 To 10	15.43	14.92
Sum of Years 11 and above	69.25	66.52

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

(₹ in Crore)

Particulars	2022-23	2021-22	2020-21	2019-20	2018-2019
Present value of the defined benefit obligation	50.72	47.23	43.79	43.99	35.68
Fair value of the plan assets	45.52	41.95	34.18	37.27	32.87
Deficit in the plan	5.20	5.28	9.61	6.72	2.81
Experience adjustments arising on					
- plan assets	-	-	-	-	-
- plan liabilities loss / (gain)	2.43	(0.81)	2.01	0.74	0.50

23 FINANCIAL INSTRUMENTS

23.1 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2023 were as follows:

(₹ in Crore)

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	17.07	-	-	-	-	17.07	17.07
Other bank balances	110.89	-	-	-	-	110.89	110.89
Investments							
Bonds and government securities	433.24	-	-	-	-	433.24	433.24
Equity shares	-	21.01	-	-		21.01	21.01
Investment in State Development Loan	36.84	-	-	-	-	36.84	36.84
Liquid mutual fund units	-	-	-	-	-	-	-
Non convertible debentures	48.45	-	-	-	-	48.45	48.45

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

(₹ in Crore)

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		
Trade receivables	208.68	-	-	-	-	208.68	208.68
Other financial assets	70.36	-	-	-	-	70.36	70.36
Total	**925.53**	**21.01**	**-**	**-**	**-**	**946.54**	**946.54**
Liabilities:							
Lease liabilities	7.92	-	-	-	-	7.92	7.92
Trade payables	131.50	-	-	-	-	131.50	131.50
Other financial liabilities	21.50	-	-	-	-	21.50	21.50
Total	**160.92**	**-**	**-**	**-**	**-**	**160.92**	**160.92**

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

(₹ in Crore)

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	206.25	-	-	-	-	206.25	206.25
Bonds and government securities	263.95	-	-	-	-	263.95	263.95
Equity shares	-	21.01	-	-	-	21.01	21.01
Liquid mutual fund units	-	-	41.20	-	-	41.20	41.20
Non convertible debentures	48.51	-	-	-	-	48.51	48.51
Trade receivables	200.39	-	-	-	-	200.39	200.39
Other financial assets	49.26	-	-	-	-	49.26	49.26
Total	**768.36**	**21.01**	**41.20**	**-**	**-**	**830.57**	**830.57**
Liabilities:							
Lease liabilities	11.68	-	-	-	-	11.68	11.68
Trade payables	95.70	-	-	-	-	95.70	95.70
Other financial liabilities	13.40	-	-	-	-	13.40	13.40
Total	**120.78**	**-**	**-**	**-**	**-**	**120.78**	**120.78**

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

23.2 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

As of 31 March 2023

Particulars	Fair value measurement at end of the reporting year		
	Level 1	Level 2	Level 3
Assets			
Investment in State Development Loan	-	36.84	-
Investment in bonds and government securities	-	433.24	-
Investment in equity shares	-	-	21.01
Investments in non convertible debentures	48.45	-	-

As of 31 March 2022

Particulars	Fair value measurement at end of the reporting year		
	Level 1	Level 2	Level 3
Assets			
Investments in liquid mutual fund units	-	41.20	-
Investment in bonds and government securities	-	263.95	-
Investment in equity shares	-	-	21.01
Investments in non convertible debentures	48.51	-	-

There has been no transfers between Level 1 and Level 2.

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

23.3 Financial risk management

Financial risk factors

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

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

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 ₹ 208.68 Crore and ₹ 200.39 Crore as of 31 March 2023 and 31 March 2022, respectively. Trade receivables is typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

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

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Revenue from top customer	4.00	6.00
Revenue from top five customers	11.00	15.00

Credit risk exposure

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

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Balance at the beginning	70.29	41.02
Amounts written off	(10.63)	(1.19)
Net remeasurement of loss allowance	17.55	30.46
Balance at the end	**77.21**	**70.29**

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

Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if it exceeds a specified number of days for respective categories of customers.

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

Expected credit loss (ECL):

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

Notes to Standalone Financial Statements (cont..)
as at 31 March 2023

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.

The Company's working capital including cash and cash equivalents and investment are as follows :

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
Current assets	397.92	530.41
Current liability	227.26	175.66
Working capital	170.66	354.75
Cash and cash equivalents	17.07	206.25
Investments	5.10	55.35

As of 31 March 2023 and 31 March 2022, the outstanding employee benefit obligations were ₹ 21.52 Crore and ₹ 20.40 Crore (Refer Note 15 and 22) respectively, which will be substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2023:

(₹ in Crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	131.50	-	-	-	131.50
Lease liabilities	3.97	3.95			7.92
Other financial liabilities	21.50	-	-	-	21.50

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2022:

(₹ in Crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	95.70	-	-	-	95.70
Lease liabilities	3.76	7.92			11.68
Other financial liabilities	13.40	-	-	-	13.40

24 SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and allocating performance. The Company's Chief Executive Officer and Managing Director form the Chief Operating Decision Makers.

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

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

25 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.	**Entities having substantial interest**
	IIFL Special Opportunities Fund (from 16 February 2018)
	NSE Investments Limited (erstwhile NSE Strategic Investments Corporation Limited) (from 1 October 2013)
b.	**Key Managerial Personnel**
	Mr Suresh Sethi - Managing Director & Chief Executive Officer (From 18 February 2021)
	Mr. Jayesh Sule - Whole Time Director & Chief Operating Officer
	Mr. Tejas Desai - Chief Financial Officer (till 8 January 2023)
	Mr. Sudeep Bhatia - Chief Financial Officer (From 9 January 2023)
	Mr. Maulesh Kantharia - Company Secretary
c.	**Subsidiaries**
	NSDL e-Governance(Malaysia) SDN BHD
	Protean eGov Technologies Australia Pty Ltd (Formerly known as NSDL e-Governance Australia Pty Ltd) (from 9 December 2020)
	NSDL e-Governance Account Aggregator Limited (from 2 November 2020)
	Protean Infosec Services Limited (Formerly known as NSDL e-Governance Infosec Services Limited) (from 30 September 2021)
d.	**Associates**
	Open Network for Digital Commerce (from 30 December 2021 up to 8 March 2022)

25(b) Details of transactions with related parties are as follows :

(₹ in Crore)

Nature of transactions	2022-23				2021-22			
	Key Managerial Personnel	Subsidiaries	Associates	Entities having substantial interest	Key Managerial Personnel	Subsidiaries	Associates	Entity having substantial interest
Dividend paid								
IIFL Special Opportunities Fund	-	-	-	12.00	-	-	-	10.80
NSE Investments Limited	-	-	-	1.00	-	-	-	9.02
Mr. Suresh Sethi	0.04	-	-	-	-	-	-	-
Mr. Jayesh Sule	0.04	-	-	-	0.04	-	-	-
Mr. Tejas Desai	0.01	-	-	-	0.01	-	-	-
Mr. Maulesh Kantharia	0.00	-	-	-	0.00	-	-	-
Remuneration paid								
Mr. Suresh Sethi	4.88	-	-	-	4.16	-	-	-
Mr. Jayesh Sule	3.29	-	-	-	3.82	-	-	-
Mr. Sudeep Bhatia	0.47	-	-	-	-	-	-	-
Mr. Tejas Desai	1.04	-	-	-	0.83	-	-	-
Mr. Maulesh Kantharia	0.40	-	-	-	0.36	-	-	-

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

(₹ in Crore)

Nature of transactions	2022-23				2021-22			
	Key Managerial Personnel	Subsidiaries	Associates	Entities having substantial interest	Key Managerial Personnel	Subsidiaries	Associates	Entity having substantial interest
Expenses incurred on behalf of subsidiary								
Protean eGov Technologies Australia Pty Ltd	-	0.11	-	-	-	0.01	-	-
NSDL e-Governance Account Aggregator Limited	-	0.10	-	-	-	-	-	-
Protean Infosec Services Limited	-	0.37	-	-	-	0.11	-	-
Investment in subsidiaries								
Protean Infosec Services Limited	-	-	-	-	-	8.00	-	-
Investment in Associates								
Open Network For Digital Commerce	-	-	-	-	-	-	10.00	-
Share based payment								
Mr. Suresh Sethi	0.27	-	-	-	1.00	-	-	-
Mr. Jayesh Sule	0.06	-	-	-	0.03	-	-	-
Mr. Tejas Desai	0.02	-	-	-	0.02	-	-	-
Mr. Sudeep Bhatia	0.08	-	-	-	-	-	-	-
Mr. Maulesh Kantharia	0.01	-	-	-	0.01	-	-	-
Closing balance								
Advances given								
NSDL e-Governance(Malaysia) SDN BHD	-	0.42	-	-	-	0.42	-	-
NSDL e-Governance Account Aggregator Limited		0.10				-		
Protean eGov Technologies Australia Pty Ltd	-	0.36	-	-	-	0.25	-	-
Protean Infosec Services Limited	-	0.48	-	-	-	0.11	-	-
Investment in subsidiaries								
Protean eGov Technologies Australia Pty Ltd	-	0.01	-	-	-	0.01	-	-
NSDL e-Governance Account Aggregator Limited	-	3.00	-	-	-	3.00	-	-
Protean Infosec Services Limited	-	8.00	-	-	-	8.00	-	-

Notes:

1) The above remuneration excludes gratuity, leave encashment and other benefits for which separate actuarial valuation is not available.
2) Expenses incurred for listing of shares would be recoverable from selling shareholder's in proportionate to the stake sale.
3) The amounts disclosed as ₹ 0.00 crore represents value less than ₹ 0.01 crore.

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

26 LEASES:

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

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	12.18	6.10
Additions	-	12.62
Termination	-	1.85
Depreciation	4.27	4.69
Closing balance	**7.91**	**12.18**

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

The following is the break-up of current and non-current lease liabilities as at 31 March 2023 and 31 March 2022:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Current lease liabilities	3.97	3.76
Non-current lease liabilities	3.95	7.92
Total	**7.92**	**11.68**

The following is the movement in lease liabilities:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	11.68	6.19
Additions	-	12.04
Finance cost accrued during the year	0.93	0.48
Deletions		
Termination	**-**	**2.09**
Payment of lease liabilities	4.69	4.94
Closing balance	**7.92**	**11.68**

Interest on lease liabilities is ₹ 0.93 Crore and ₹ 0.48 Crore for the year ended on 31 March 2023 and 31 March 2022 respectively.

The Weighted average incremental borrowing rate of 9.30% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The table below provides details regarding the contractual maturities of lease liability as at 31 March 2023 and 31 March 2022 on an undiscounted basis:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	4.54	4.69
One to five years	4.14	8.68
More than five years	-	-
Total	**8.68**	**13.37**

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

Rental expense recorded for short-term leases and low- value assets was ₹ 0.64 Crore and ₹ 0.23 Crore for the year ended 31 March 2023 and 31 March 2022 respectively.

The total cash outflow for leases is ₹ 5.33 Crore and ₹ 5.17 Crore for the year ended 31 March 2023 and 31 March 2022 respectively, including cash outflow of short-term leases and leases of low-value assets.

Lease contracts entered by the Company pertains to office premises taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

27 CAPITAL AND OTHER COMMITMENTS

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital Commitments	1.99	1.74
Other Commitments - Bank guarantee	11.00	7.46

Refer Note 26 for contractual maturities of lease liability i.e. lease commitments.

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

29 RATIOS

Particulars	Numerator/ Denominator	As at 31 March 2023	As at 31 March 2022	Variance
Current Ratio*	Current Asset / Current Liabilities	1.75	3.02	-42%
Net profit Ratio**	Net Profit after taxes / Revenue From Operations	15%	21%	-30%
Return on Equity**	Net Profit after taxes / Average Shareholder's Equity	13%	18%	-28%
Return on Capital employed**	Earning before interest and taxes / Capital Employed (Shareholder's Equity + Non-current liabilities)	16%	23%	-29%
Return on Investment	Income received from investment / Average investment	6%	6%	12%
Net Capital turnover Ratio#	Revenue From Operations / Working Capital	4.35	1.95	123%
Trade receivables turnover ratio	Revenue From Operations / Average Accounts Receivable	3.55	3.45	3%
Trade payables turnover ratio	Other expenses / Average Trade Payables	3.68	4.78	-23%

** Decrease in current ratio is due to increase in cash and cash equivalent in FY 2021-22 on account of amount received as sale proceeds from Bangalore data centre.*

*** In FY 2021-22, profitability ratio is increased due to business profit earned on sale of Bangalore data centre.*

 # In FY 2021-22, there is increase in working capital on account of sale of Banglore data centre at the end of the year due to which ratio has decreased.

Notes to Standalone Financial Statements (cont..)

for the year ended 31 March 2023

30 EMPLOYEE STOCK OPTION PLAN

The shareholders of the Company had approved NSDL Employees Stock Option Plan, 2017 on December 4, 2017 to be provided to specified categories of employees of the Company.

Pursuant to the Plan, the Company has granted options on various dates which are subject to varying conditions. A summary of options granted until date and conditions attached thereto has been tabulated below:

Grant Condition

Grant date	Exercise Price	Options granted	Options vested and Exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding	Face Value	Vesting period
4 December 2017	310	3,96,192	19,468	-	348,884	27,840	19,468	10	25% of the options granted will vest on 1st, 2nd, 3rd and 4th anniversary from the date of grant.
18 September 2020	310	20,000	-	-	20,000	-	-	10	
3 December 2020	310	40,000	-	-	40,000	-	-	10	
18 November 2021	10	38,240	18,900	-	12,510	6,830	18,900	10	100% on completion of one year from grant date
27 June 2022	647	18,921	-	17,348	-	1,573	17,348	10	30% , 30% and 40% respectively will vest on 1st, 2nd and 3rd anniversary from the date of grant
27 June 2022	10	17,728	-	15,493	-	2,235	15,493	10	100% on completion of three years from grant date
26 August 2022	678	8,921	-	8,448	-	473	8,448	10	30% , 30% and 40% respectively will vest on 1st, 2nd and 3rd anniversary from the date of grant
26 August 2022	10	7,997	-	7,324	-	673	7,324	10	100% on completion of three years from grant date
23 November 2022	678	9,576	-	9,576	-	-	9,576	10	30% , 30% and 40% respectively will vest on 1st, 2nd and 3rd anniversary from the date of grant
23 November 2022	10	8,442	-	8,442	-	-	8,442	10	100% on completion of three years from grant date
15 February 2023	795.85	10,409	-	10,409	-	-	10,409	10	30% , 30% and 40% respectively will vest on 1st, 2nd and 3rd anniversary from the date of grant
15 February 2023	10	9,629	-	9,629	-	-	9,629	10	100% on completion of three years from grant date
Total		**586,055**	**38,368**	**86,669**	**421,394**	**39,624**	**125,037**		

Notes to Standalone Financial Statements (cont..)
for the year ended 31 March 2023

Exercise period in all above grant is three years from the date of vesting.

Movement of stock options during the year

Particulars	For the year ended 31 March 2023				For the year ended 31 March 2022			
	No. of options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)	No. of options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	83,256	(10-310)	180.00	3.15	2,92,719	310	310	2.68
Granted during the year	91,623	(10-795.85)	365.68	5.02	38,240	10	10	3.00
Forfeited during the year	(12,524)	(10-678)	-	-	(3,089)	(10-310)	98	-
Exercised during the year	(37,318)	(10-310)	209.43	-	(244,614)	310	310	-
Rounding off difference	-	-	-	-	-	-	-	-
Outstanding at the end of the year	125,037	(10-795.85)	307.00	4.08	83,256	(10-310)	180	3.15
Exercisable at the end of the year	38,368	(10-795.85)	162	1.97	27,196	310	310	2.11

The weighted average remaining contractual life for the share options outstanding as at 31 March 2023 was 4.08 years (31 March 2022 : 3.15 years). The weighted average share price for the options exercised during the year was ₹ 209.43 (31 March 2022 : ₹ 310). Maximum Term of the options is 7 Years.

The weighted average fair value of the options granted during the year was ₹ 365.68 (31 March 2022 : ₹ 616). The weighted average share price for the options granted during the year was ₹ 795.85 (31 March 2022 : ₹ 667).

The aggregate compensation cost of ₹ 2.34 Crore (31 March 2022: ₹ 1.57 Crore) has been recognised under the ESOP plan 2017 and has been disclosed under Employee benefit expense under Note 19.

Significant assumptions used to estimate the fair value of options:

Variables	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Fair value at the time of the option grant (₹)
Grant date 18 September 2020	4.66%	2.50	104.65%	0.00%	468.00
Grant date 2 December 2020	4.48%	3.00	89.63%	0.00%	468.00
Grant date 18 November 2021	6.05%	3.00	89.63%	2.14%	667.00
Grant date 27 June 2022	7.33%	3.00	67.50%	1.26%	744.84
Grant date 27 June 2022	6.92%	1.00	68.55%	1.26%	396.47
Grant date 27 June 2022	7.21%	2.00	68.99%	1.26%	446.56
Grant date 27 June 2022	7.33%	3.00	67.50%	1.26%	477.76
Grant date 26 August 2022	7.10%	3.00	67.53%	1.26%	744.77
Grant date 26 August 2022	6.84%	1.00	68.89%	1.26%	386.65
Grant date 26 August 2022	6.96%	2.00	69.38%	1.26%	437.54
Grant date 26 August 2022	7.10%	3.00	67.53%	1.26%	468.49
Grant date 23 November 2022	7.32%	3.00	67.77%	1.26%	744.84
Grant date 23 November 2022	7.15%	1.00	65.47%	1.26%	376.53
Grant date 23 November 2022	7.26%	2.00	70.33%	1.26%	443.02
Grant date 23 November 2022	7.32%	3.00	67.77%	1.26%	471.05

The fair value of ESOPs granted is determined using Black & Scholes Model.

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

31 DETAILS OF TRANSACTIONS WITH STRUCK OFF COMPANIES:

(₹ in Crore)

Sr. No	Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on 31.03.2023	Balance outstanding as on 31.03.2022	Relationship with the Struck off company, if any, to be disclosed
1	Integra Micro Systems Pvt Ltd	Receivables	-	0.00	-
2	CommScope Solutions India Private Limited	Receivables	-	0.00	-
3	Satguru Cements Private Limited	Receivables	-	*0.00	-
4	Pravasi Enterprises Ltd	Receivables	-	**0.00	-
5	Midwest Granite (Pondicherry) Private Limited	Receivables	-	@0.00	-
6	Haldiram Snacks Pvt Ltd	Receivables	-	#0.00	-
7	Whizkids Computer Pvt Ltd	Receivables	-	$0.00	-
8	Channel Plastic Pvt Ltd	Receivables	-	Not Applicable	-
9	Enrich Financial Services Ltd	Receivables	-	Not Applicable	-

Amount rounded off here i.e. for 31.03.2022: * ₹ 1,494, ** ₹ 254, @ ₹ 3,065, # ₹ 1,523, $ ₹ 95

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

33 During the year the Company has no transactions to report against the disclosure requirement relating to utilization of share premium as notified by MCA pursuant to amended Schedule III of Companies Act, 2013.

34 CONTINGENT LIABILITIES:

(i) On account of disputed demand raised by Sales tax officer for MVAT and CST: ₹ 22.63 Crore (31 March 2022: ₹ 22.63 Crore) @

(ii) Claims against the Company not acknowledged as debts: ₹ 0.99 Crore (31 March 2022 : ₹ 0.99 Crore) (net) #

(iii) On account of demand raised by Income tax officer for AY 2016-2017 : ₹ 1.36 Crore (31 March 2022: ₹ 1.36 Crore) $

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

@ Demand raised by sales tax officer for MVAT and CST payable on services provided by Company. The Company has filed an appeal before the Sales Tax Tribunal and paid a deposit of ₹ 1.42 Crore under protest. The amounts assessed as contingent liability do not include interest that could be claimed by the authorities. In terms of its Order dated 28 January 2022, the Tribunal has quashed and set aside the Order passed by the First Appellate Authority.

MVAT payable to seller on purchase of Times Tower premises

$ Demand raised by Income tax officer is on account of disallowance of deduction claimed by the Company under Section 35AC and Chapter VI-A of Income tax Act, 1961 in income tax return filed for Assessment Year 2016-17 vide Order dated 10 February 2022. Company has filed rectification application as well as appeal before CIT(A) against said demand.

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

35 DETAILS OF DUES TO MICRO AND SMALL, MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

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

(₹ in Crore)

Particulars	31.03.2023	31.03.2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-- Principal	19.19	5.66
-- 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	-	-

36 CORPORATE SOCIAL RESPONSIBILITY

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

a) Gross amount required to be spent by the Company on Corporate Social Responsibility activities during the financial year 2022-23 is ₹ 2.89 Crore (31 March 2022: 2.98 Crore).

Notes to Standalone Financial Statements (cont..)
as at 31 March 2023

b) Amount spent during the year :

(₹ in Crore)

Particulars	Amount paid	Paid in subsequent period	Yet to be paid	Total
31-Mar-23				
Construction / acquisition of any asset	-	-	-	-
On above purpose	2.91	-	-	2.91
31-Mar-22				
Construction / acquisition of any asset	-	-	-	-
On above purpose	3.48	-	-	3.48

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Amount required to be spent by the Company during the year	2.89	2.98
Amount of expenditure incurred	2.91	3.48
Shortfall/(Excess) at the end of the year	(0.02)	(0.50)
Total of previous years shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities	Charitable activity	Charitable activity
Details of related party transactions	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation	Not applicable	Not applicable

37 CAPITAL MANAGEMENT

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

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

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

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

38 INVESTOR EDUCATION & PROTECTION FUND

For the year ended 31 March 2023 and 31 March 2022 the Company is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

39 SOCIAL SECURITY CODE

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

40 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs (""MCA"") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

a) IND AS 1 - Presentation of financial statements: This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

b) Ind AS 8 - Accounting policies, changes in accounting estimates and errors: This amendment has introduced a definition of accounting estimates and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

c) Ind AS 12 - Income taxes: This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

None of these amendment is expected to have material impact on the financial statements of the Company.

41 DIVIDEND

Dividends declared by the Company are based on the profit available for distribution. On May 19, 2023, the Board of Directors of the Company have proposed a final dividend of ₹ 10 per share in respect of the year ended March 31, 2023 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 40.42 Crore.

Dividends paid during the year ended 31 March 2023 include an amount of ₹ 10 per equity share towards final dividednd for the year ended 31 March 2022. Dividends paid during the year ended 31 March 2022 comprise of ₹ 35 per equity share towards interim dividend of 31 March 2022 and ₹ 9 per equity share towards final dividend for the year ended 31 March 2021.

Notes to Standalone Financial Statements (cont..)

as at 31 March 2023

42 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)

(c) Registration of charges or satisfaction with Registrar of Companies

(d) Relating to borrowed funds:

i. Wilful defaulter

ii. Utilisation of borrowed funds & share premium

iii. Borrowings obtained on the basis of security of current assets

iv. Discrepancy in utilisation of borrowings

v. Current maturity of long term borrowings

43 SUBSEQUENT EVENTS

There are no subsequent events post the balance sheet date.

As per our report of even date attached

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

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date: 19 May 2023

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

Shailesh Haribhakti
Chairman
DIN-00007347

Suresh Sethi
Managing Director and CEO
DIN-06426040

Jayesh Sule
Whole Time Director
DIN-07432517

Sudeep Bhatia
Chief Financial Officer

Place : Mumbai
Date: 19 May 2023

Maulesh Kantharia
Company Secretary

Independent Auditor's Report

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Protean eGov Technologies Limited (Formerly NSDL e-Governance Infrastructure Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, 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, 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 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The respective Board of Directors of the companies included in the Group are 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

OTHER MATTERS

a. We did not audit the financial statements of two subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 10.90 crore as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ 1.04 crore and net cash outflow (before consolidation adjustments) amounting to ₹ 1.43 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

b. The financial statements of two subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 0.03 crore as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ Nil and net cash outflow (before consolidation adjustments) amounting to ₹ 0.01 crore for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the 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 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its one subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the reports of the other auditors on seperate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 35 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 29 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any other persons or entityies, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 29 to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies from any persons or entityies, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 42 to the consolidated financial statements, the respective Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or its subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its one subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act whereas in respect of the other subsidiary company, no remuneration has been paid to the directors of such subsdiary. The remuneration paid to any director by the Holding Company and its one subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Sd/-
Shabbir Readymadewala
Partner

Place: Mumbai
Membership No.: 100060

Date: 19 May 2023
ICAI UDIN:23100060BGWOAI2548

Annexure A

to the Independent Auditor's Report on the Consolidated Financial Statements of Protean eGov Technologies Limited (Formerly NSDL e-Governance Infrastructure Limited) for the year ended 31 March 2023

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

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

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

Sd/-
Shabbir Readymadewala
Partner
Membership No.: 100060
ICAI UDIN:23100060BGWOAI2548

Place: Mumbai
Date: 19 May 2023

Annexure B

to the Independent Auditor's Report on the consolidated financial statements of Protean eGov Technologies Limited (Formerly NSDL e-Governance Infrastructure Limited) for the year ended 31 March 2023

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

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of Protean eGov Technologies Limited (Formerly NSDL e-Governance Infrastructure Limited) (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to the financial statements of subsidiary companies, as were audited by the other auditors the Holding Company and its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of above matters.

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

Sd/-
Shabbir Readymadewala
Partner

Place: Mumbai
Membership No.: 100060

Date: 19 May 2023
ICAI UDIN:23100060BGWOAI2548

Consolidated Balance Sheet

as at 31 March 2023

Currency : (₹ in Crore)

Particulars			Note	As at 31 March 2023	As at 31 March 2022
ASSETS					
1	Non-current assets				
	a	Property, Plant and Equipment	2a	51.79	50.69
	b	Capital work-in-progress	2b	-	1.17
	c	Right-of-use assets	27	7.91	12.18
	d	Other intangible assets	2a	3.61	1.67
	e	Intangible assets under development	2b	11.43	3.32
	f	Financial assets			
	i	Investments	3	523.43	308.31
	ii	Other financial assets	4	46.14	17.58
	g	Deferred tax assets (net)	5	20.83	19.85
	h	Income tax assets (net)	5	31.27	26.97
	i	Other non-current assets	6	0.15	4.85
		Total non-current assets		**696.56**	**446.59**
2	Current assets				
	a	Financial assets			
	i	Investments	7	5.10	55.35
	ii	Trade receivables	8	208.86	200.39
	iii	Cash and cash equivalents	9	17.14	206.72
	iv	Bank balances other than iii above	10	120.39	26.78
	v	Other financial assets	4	24.45	15.60
	b	Other current assets	6	31.60	36.74
		Total current assets		**407.54**	**541.58**
		Total assets		**1,104.10**	**988.17**
		EQUITY AND LIABILITIES			
1	Equity				
	a	Equity share capital	11	40.42	40.38
	b	Other equity	12	816.69	747.78
		Equity attributable to owners of the company		**857.11**	**788.16**
		Non-controlling interest	26	(0.19)	(0.19)
		Total equity		**856.92**	**787.97**
2	Liabilities				
	1	**Non-current liabilities**			
	a	Financial liabilities			
	i	Lease liabilities	27	3.95	7.92
	b	Provisions	15	15.44	15.18
	c	Other non-current liabilities	16	-	1.37
		Total non current liabilities		**19.39**	**24.47**
	2	**Current liabilities**			
	a	Financial liabilities			
	i	Lease liabilities	27	3.97	3.76
	ii	Trade payables			
		Total dues of micro enterprises and small enterprises	13 & 36	19.19	5.66
		Total dues of creditors other than micro enterprises and small enterprises	13	112.64	90.06
	iii	Other financial liabilities	14	21.53	13.45
	b	Other current liabilities	16	64.38	53.66
	c	Provisions	15	6.08	5.22
	d	Income tax liabilities (net)	5	-	3.92
		Total current liabilities		**227.79**	**175.73**
		Total equity and liabilities		**1,104.10**	**988.17**
See accompanying notes to the consolidated financial statements			1 to 44		

As per our report of even date attached

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

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date: 19 May 2023

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

Shailesh Haribhakti
Chairman
DIN-00007347

Suresh Sethi
Managing Director and CEO
DIN-06426040

Jayesh Sule
Whole Time Director
DIN-07432517

Sudeep Bhatia
Chief Financial Officer

Place : Mumbai
Date: 19 May 2023

Maulesh Kantharia
Company Secretary

Consolidated Statement of Profit and Loss
for the year ended 31 March 2023

Currency : (₹ in Crore)

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue From Operations	17	742.20	690.91
Other Income (including profit on sale of Bangalore data centre ₹ Nil (31 March 2022 ₹ 43.90 Crore))	18	41.66	79.03
Total Income		**783.86**	**769.94**
Expenses			
Employee benefits expense	19	122.95	78.69
Finance costs	27	0.93	0.48
Depreciation and amortization expense	2&27	18.28	16.84
Allowance for expected credit loss		17.55	30.37
Other expenses	20	483.73	458.05
Total Expenses		**643.44**	**584.43**
Profit before tax		**140.42**	**185.51**
Less : Tax expenses			
Current tax	5	34.36	52.53
Deferred tax	5	(0.98)	(10.84)
Total tax expenses		**33.38**	**41.69**
Profit for the year (A)		**107.04**	**143.82**
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the defined benefit liability / asset (net of tax)	22	(0.83)	3.63
Total other comprehensive income/(loss) (net of tax) (B)		**(0.83)**	**(0.83)**
Total comprehensive income (A+B)		**106.21**	**147.45**
Profit for the year attributable to :			
Shareholders of the Company		107.04	143.82
Non-Controlling interest		-	-
		107.04	**143.82**
Other comprehensive income for the year attributable to :			
Shareholders of the Company		(0.83)	3.63
Non-Controlling interest		-	-
		(0.83)	**3.63**
Total comprehensive income for the year attributable to :			
Shareholders of the Company		106.21	147.45
Non-Controlling interest		-	-
		106.21	**147.45**
Earnings per share			
- Basic (₹)	21	26.50	35.75
- Diluted (₹)	21	26.48	35.72

See accompanying notes to the consolidated financial statements 1 to 44

As per our report of even date attached

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

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date: 19 May 2023

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

Shailesh Haribhakti
Chairman
DIN-00007347

Suresh Sethi
Managing Director and CEO
DIN-06426040

Jayesh Sule
Whole Time Director
DIN-07432517

Sudeep Bhatia
Chief Financial Officer

Place : Mumbai
Date: 19 May 2023

Maulesh Kantharia
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

A. EQUITY SHARE CAPITAL

(₹ in Crore)

Balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
40.38	0.04	40.42

(₹ in Crore)

Balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
40.13	0.25	40.38

B. OTHER EQUITY

(₹ in Crore)

Particulars	Other equity#						Total
	Attributable to owners of the company					Attributable to non controlling interest	
	Reserves and surplus						
	Capital redemption reserve	General reserve	Retained earnings	ESOP reserve	Securities premium		
Balance as at 1 April 2022	**25.00**	**398.65**	**305.28**	**2.24**	**16.61**	**(0.19)**	**747.59**
Profit for the year	-	-	107.04	-	-	-	107.04
Other comprehensive loss	-	-	(0.83)	-	-	-	(0.83)
Share based payment expense	-	-	-	2.34	-	-	2.34
Transfer from ESOP Reserve on exercise of stock options	-	-	-	(1.46)	1.46	-	-
Issue of shares on account of exercise of stock options	-	-	-	-	0.74	-	0.74
Dividend (Refer Note 42)	-	-	(40.38)	-	-	-	(40.38)
Balance as at 31 March 2023	**25.00**	**398.65**	**371.11**	**3.12**	**18.81**	**(0.19)**	**816.50**

Consolidated Statement of Changes in Equity (contd.)

for the year ended 31 March 2023

(₹ in Crore)

Particulars	Other equity#						Total
	Attributable to owners of the company					Attributable to non controlling interest	
	Reserves and surplus						
	Capital redemption reserve	General reserve	Retained earnings	ESOP reserve	Securities premium		
Balance as at 1 April 2021	**25.00**	**398.65**	**194.10**	**4.69**	**5.25**	**(0.19)**	**627.50**
Profit for the year	-	-	143.82	-	-	(0.00)	143.82
Other comprehensive income	-	-	3.63	-	-	-	3.63
Share based payment expense	-	-	-	1.57	-	-	1.57
Transfer from ESOP Reserve on exercise of stock options	-	-	-	(4.02)	4.02	-	-
Issue of shares on account of exercise of stock options	-	-	-	-	7.34	-	7.34
Dividend (Refer Note 42)	-	-	(36.27)	-	-	-	(36.27)
Balance as at 31 March 2022	**25.00**	**398.65**	**305.28**	**2.24**	**16.61**	**(0.19)**	**747.59**

Note:

 # Purpose of Reserve stated as follows:

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

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

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

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

As per our report of even date attached

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

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date: 19 May 2023

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

Shailesh Haribhakti
Chairman
DIN-00007347

Suresh Sethi
Managing Director and CEO
DIN-06426040

Jayesh Sule
Whole Time Director
DIN-07432517

Sudeep Bhatia
Chief Financial Officer

Place : Mumbai
Date: 19 May 2023

Maulesh Kantharia
Company Secretary

Consolidated Statement of Cash Flows
for the year ended 31 March 2023

Currency : (₹ in Crore)

		For the year ended 31 March 2023	For the year ended 31 March 2022
A)	**Cash flow from operating activities**		
	Profit before tax	**140.42**	**185.51**
	Adjustments for :		
	Depreciation and amortisation	18.28	16.84
	Amortisation of premium / discount on Govt/Debt Securities	1.92	1.96
	Profit on discard of leased assets (net)	-	(0.25)
	Allowance for expected credit loss	17.55	30.37
	Interest income on financial assets carried at amortised cost	(32.05)	(19.65)
	Interest income on bank deposits	(5.40)	(3.82)
	Finance costs	0.93	0.48
	Share based payments to employees	2.34	1.57
	Profit on sale/discard of assets (net)	-	(43.90)
	Dividend income	(1.63)	(1.31)
	Bad debts written off	0.12	-
	Provision for doubtful GST credit	1.16	-
	Interest on security deposit security deposits	(0.18)	-
	Operating cash flow before changes in working capital	**143.46**	**167.80**
	Changes in working capital		
	(Increase) / Decrease in trade receivables	(26.15)	(32.44)
	(Increase) / Decrease in Other financial assets and other assets	8.53	5.24
	Increase / (Decrease) in trade payables	36.11	(3.13)
	Increase / (Decrease) in other financial liabilities, other liabilities and provisions	17.62	4.66
	Cash generated from operations	**179.57**	**142.13**
	Income taxes paid (Net)	(42.58)	(47.86)
	Net cash generated from / (used in) operating activities (A)	**136.99**	**94.27**
B)	**Cash flow from investing activities**		
	Purchase of property plant and equipment including capital advances	(12.26)	(18.99)
	Proceeds from sale of property, plant and equipment	-	132.00
	Purchase of intangible assets including intangible assets under development	(11.59)	-
	Interest received	32.70	23.47
	Dividend received	1.63	1.31
	Purchase of non-current investments (net of interest accrued upto date of purchase)	(221.78)	(49.87)
	Proceeds from sale of non-current investments	-	10.60
	Purchase of current investments	-	(41.19)
	Proceeds from sale of current investments	55.00	-
	(Investment)/Liquidation of fixed deposit	(125.98)	14.90
	Maturity / (Placement) of restricted deposit	-	0.39
	Net cash generated from / (used in) investing activities (B)	**(282.28)**	**72.62**

Consolidated Statement of Cash Flows (contd.)

for the year ended 31 March 2023

Currency : (₹ in Crore)

		For the year ended 31 March 2023	For the year ended 31 March 2022
C)	**Cash flow from financing activities**		
	Proceeds from exercise of stock options	0.78	7.58
	Dividend paid	(40.38)	(36.27)
	Lease liability paid	(3.76)	(4.46)
	Interest on lease liability	(0.93)	(0.48)
	Net cash from / (used in) financing activities (C)	**(44.29)**	**(33.63)**
	Net increase in cash and cash equivalents at the end of the year (A+B+C)	**(189.58)**	**133.26**
	Cash and cash equivalents at the beginning of the year	**206.72**	**73.46**
	Cash and cash equivalents at the end of the year	**17.14**	**206.72**

Notes to Consolidated Cash Flow Statement :

1 Cash and cash equivalents represents cash, bank balances and bank deposits with original maturity of less than three months.

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

3

Changes in liabilities arising from financing activities	31 March 2023	31 March 2022
Opening balance of lease liabilities	11.68	6.19
Addition on account of adoption of Ind AS 116	-	12.04
Interest accrued during the year	0.93	0.48
Termination	-	2.09
Cash flow movement	4.69	4.94
Closing balance of lease liabilities	**7.92**	**11.68**

As per our report of even date attached

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

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date: 19 May 2023

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

Shailesh Haribhakti
Chairman
DIN-00007347

Suresh Sethi
Managing Director and CEO
DIN-06426040

Jayesh Sule
Whole Time Director
DIN-07432517

Sudeep Bhatia
Chief Financial Officer

Place : Mumbai
Date: 19 May 2023

Maulesh Kantharia
Company Secretary

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

1. CORPORATE INFORMATION

Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited) ("the Company") was incorporated in December 1995, is engaged in providing Information Technology (IT) enabled e-Governance services. The current projects of the Company are Central Recordkeeping Agency (CRA) under the National Pension System regulated by Pension Fund Regulatory and Development Authority (PFRDA); Tax Information Network (TIN), the activity of processing the applications for allotment of Permanent Account Number (PAN) and were acting as a Registrar to Unique Identification Authority of India (UIDAI), Planning Commission, Government of India. The Company, together with its subsidiaries, has been referred to as 'the Company' or 'the Group' in these financial statements.

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

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

The consolidated financial statements for the year ended 31 March 2023 were approved for issue in accordance with the resolution of the Company's Board of Directors on 19 May 2023.

1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a) Statement of compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time. These consolidated financial statements includes consolidated Balance Sheet as at 31 March 2023 consolidated statement of profit and loss (including other comprehensive income) for the year then ended, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "consolidated financial statements").

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

b) Basis of preparation of consolidated financial statements

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

These consolidated financial statements have been prepared on historical cost basis except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting year. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

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

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

c) **Basis of Consolidation**

Subsidiaries:

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

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

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

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

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

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

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

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

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2023.

Non-controlling interest

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified

Notes to Consolidated Financial Statements (cont..)
for the year ended 31 March 2023

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

List of entities Consolidated:

Particulars	Country of Incorporation	As at 31-Mar-23	As at 31-Mar-22	As at 31-Mar-21	As at 31-Mar-20
NSDL e-Governance (Malaysia) SDN BHD	Republic of Malaysia	51%	51%	51%	51%
Protean e-Gov Technologies Australia Pty Ltd (incorporated on 9 December 2020)	Australia	100%	100%	100%	NA
NSDL e-Governance Account Aggregator Limited (incorporated on 2 November 2020)	India	100%	100%	100%	NA
Protean Infosec Services Limited (from 30 September 2020)	India	100%	100%	100%	NA

d) Use of judgements and estimates

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

The areas involving significant judgement and estimates are as follows:

Judgements:

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

- Note 17: Revenue recognition
- Note 23: Fair value measurement of financial assets
- Note 27: Leases
- Note 3 and 7: Classification of investments

Estimates:

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

- Note 22: Defined benefit
- Note 2: Property, plant and equipment

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

- Note 27: Leases
- Note 5: Income taxes
- Note 23: Fair value measurement of financial instruments
- Note 31: Share based payments
- Note 18: Other income
- Note 17: Revenue recognition
- Note 8: Trade receivables

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

Defined benefit

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

Property, plant and equipment

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

Leases

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

Income taxes

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

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

profits during the year in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward year are reduced.

Fair value measurement of financial instruments

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

Share based payments:

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

Interest income

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

Trade receivables

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

e) Revenue Recognition

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

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

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

(1) identify the contract with a customer,

(2) identify the performance obligations in the contract,

(3) determine the transaction price,

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

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

Performance obligations

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

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

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

Determination of transaction price

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

Allocation of transaction price

A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, the Group allocates the contract's transaction price to each performance obligation based on the relative standalone selling price. The primary method used to estimate standalone selling price is the adjusted market assessment approach, under which the Group evaluates the price in that market that a customer is willing to pay for those services.

While determining relative standalone selling price and identifying separate performance obligations require judgment, generally relative standalone selling prices and the separate performance obligations are readily identifiable as the Group sells those performance obligations unaccompanied by other performance obligations.

Satisfaction of performance obligation

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

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

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

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

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

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

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

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

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

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.

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

Practical expedients used

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

f) Property, plant and equipment

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

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

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

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

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

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

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

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

g) Leases

The Group as a lessee

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

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

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

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

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

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

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

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

h) Depreciation and amortisation

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

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

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

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

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

Computer Software is amortized over a period of 2 years.

Depreciation is not recorded on capital work-in-progress until installation is complete and the asset is ready for its intended use. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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

i) Intangible assets

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

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

Research cost are expensed as incurred.

Development costs

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

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

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

j) Impairment of tangible and intangible assets

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

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

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

k) Foreign currency transactions and translation

Transactions and translations

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

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

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

l) Employee benefit costs

- **Short- term employee benefits**

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

- **Post-Employment benefits**

  Defined Contribution plans

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

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

Defined benefit Plans

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

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

The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plan is determined based on 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.

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

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

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

i) Income Tax

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

Current tax

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

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting 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).

j) Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the consolidated financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. A contingent asset is not recognised in the consolidated financial statements, however, the same is disclosed where an inflow of economic benefit is probable.

k) Cash Flow statement

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

l) Cash and Bank balances

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

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

m) Earnings per share

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

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

n) Dividend income

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

o) Financial instruments

Initial recognition

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

Subsequent measurement

Financial assets

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

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

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

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

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

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

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

- 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.

Loans and receivables and derecognition of financial assets

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

Subsequent measurement

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

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

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

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Investment in subsidiaries

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

Financial liabilities and equity instruments

Equity instruments

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

Financial liabilities

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

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

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

Derecognition of financial liabilities

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

Non-current Assets Held for Sale and Discontinued Operations

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

Offsetting arrangements

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

p) Share based payment

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

q) Corporate Social Responsibility (CSR) Expenditure

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

r) Dividends

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

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

2 PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

2(a)

Currency : (₹ inCrore)

Particulars	Property, plant, equipment							Other intangible assets	
	Building	Computers	Data and Telecommunication equipment	Electric installation	Office equipment	Furniture and fixtures	Total	Computer softwares (others)	Total
Gross carrying value as of 1 April 2022	**52.92**	**94.59**	**19.15**	**5.27**	**9.65**	**6.86**	**188.44**	**51.89**	**51.89**
Additions	0.47	9.47	1.92	-	0.49	0.05	12.40	4.65	4.65
Deletions	-	-	-	-	-	-	-	-	-
Gross carrying value as of 31 March 2023	**53.39**	**104.06**	**21.07**	**5.27**	**10.14**	**6.91**	**200.84**	**56.54**	**56.54**
Accumulated depreciation as of 1 April 2022	**40.54**	**67.11**	**14.25**	**4.10**	**7.61**	**4.14**	**137.75**	**50.22**	**50.22**
Depreciation	0.21	8.28	1.56	0.17	0.64	0.44	11.30	2.71	2.71
Accumulated depreciation on deletion	-	-	-	-	-	-	-	-	-
Accumulated depreciation as of 31 March 2023	**40.75**	**75.39**	**15.81**	**4.27**	**8.25**	**4.58**	**149.05**	**52.93**	**52.93**
Carrying value as of 31 March 2023	**12.64**	**28.67**	**5.26**	**1.00**	**1.89**	**2.33**	**51.79**	**3.61**	**3.61**

Currency : (₹ inCrore)

Particulars	Property, plant, equipment							Other intangible assets	
	Building	Computers	Data and Telecommunication equipment	Electric installation	Office equipment	Furniture and fixtures	Total	Computer softwares (others)	Total
Gross carrying value as of 1 April 2021	**52.92**	**84.23**	**18.25**	**5.10**	**8.97**	**6.86**	**176.33**	**50.20**	**50.20**
Additions	-	10.36	0.90	0.17	0.68	-	12.11	1.69	1.69
Deletions	-	-	-	-	-	-	-	-	-
Gross carrying value as of 31 March 2022	**52.92**	**94.59**	**19.15**	**5.27**	**9.65**	**6.86**	**188.44**	**51.89**	**51.89**
Accumulated depreciation as of 1 April 2021	**40.33**	**59.34**	**12.63**	**3.95**	**7.00**	**3.69**	**126.94**	**48.88**	**48.88**
Depreciation	0.21	7.77	1.62	0.15	0.61	0.45	10.81	1.34	1.34
Accumulated depreciation on deletion	-	-	-	-	-	-	-	-	-
Accumulated depreciation as of 31 March 2022	**40.54**	**67.11**	**14.25**	**4.10**	**7.61**	**4.14**	**137.75**	**50.22**	**50.22**
Carrying value as of 31 March 2022	**12.38**	**27.48**	**4.90**	**1.17**	**2.04**	**2.72**	**50.69**	**1.67**	**1.67**

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

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

2(b) Capital work-in-progress

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

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
Balance as at beginning of the year	1.17	1.34
Additions	-	15.96
Capitalisation	(1.17)	(16.13)
Balance as at end of the year	**-**	**1.17**

(ii) Intangible assets under development

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
Balance as at beginning of the year	3.32	0.08
Additions	9.71	8.20
Capitalisation	(1.60)	(4.96)
Balance as at end of the year	**11.43**	**3.32**

Capital-Work-in Progress

(₹ in Crore)

Particulars	Amount in CWIP for the year ended 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (on tangible assets)	-	-	-	-	-
Projects in progress (intangible assets under development)	9.22	2.21	-	-	11.43

(₹ in Crore)

Particulars	Amount in CWIP for the year ended 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (on tangible assets)	1.17	-	-	-	1.17
Projects in progress (intangible assets under development)	3.32	-	-	-	3.32

Note:- Intangible assets under development completion schedule is not disclosed as the completion of all projects is not overdue and it has not exceeded its cost as compared to original plan.

Notes to Consolidated Financial Statements (cont..)
as at 31 March 2023

3 NON-CURRENT INVESTMENTS

A Fully Paid Unquoted Equity Investments

		Face value	As at 31 March 2023		As at 31 March 2022	
			Holdings as at	(₹ in Crore)	Holdings as at	(₹ in Crore)
Investment in other Companies (at cost)						
1	Open Network for Digital Commerce	₹ 100	1,000,000	10.00	1,000,000	10.00
	Total (A)			**10.00**		**10.00**

B Quoted debt securities investments at amortised cost :

(₹ in Crore)

		Rate of interest %	Year of maturity	No. of bonds/ debentures/ securities	Face value	As at 31 March 2023	As at 31 March 2022
Investment in Bonds							
1	Indian Railway Finance Corporation Limited	8.10	2027	50,000	1,000	5.34	5.34
2	National Highway Authority of India Limited	8.30	2027	200,000	1,000	21.82	21.82
3	Indian Railway Finance Corporation Limited	7.34	2028	250,000	1,000	25.74	25.74
4	National Highway Authority of India Limited	8.50	2029	80,000	1,000	8.00	8.00
5	Rural Electrification Corporation	8.63	2029	50,000	1,000	5.00	5.00
6	National Thermal Power Corporation Limited	7.37	2035	6,246	1,000	0.63	0.63
7	National Thermal Power Corporation Limited	7.15	2025	90	1,000,000	9.12	9.12
8	Power Finance Corporation Limited	8.46	2028	150	1,000,000	16.72	16.72
9	Rural Electrification Corporation	8.46	2028	250	1,000,000	28.94	28.94
10	National Bank for Agriculture and Rural Development	7.35	2031	50,000	1,000	5.26	5.26
11	National Hydroelectric Power Corporation Limited	8.67	2033	50,000	1,000	6.34	6.34
12	National Bank for Agriculture and Rural Development	7.35	2031	100,000	1,000	11.17	11.17
13	Indian Renewable Energy Development Agency Limited	7.17	2025	270	1,000,000	28.77	28.77
14	National Highway Authority of India Limited	7.35	2031	100,000	1,000	11.25	11.25
15	National Highway Authority of India Limited	7.39	2031	50,000	1,000	5.56	5.56
16	Indian Railway Finance Corporation Limited	7.35	2031	150,000	1,000	16.63	16.63
17	National Hydroelectric Power Corporation Limited	8.18	2023	50,000	1,000	-	5.38
18	HDB Financial Services Limited	10.19	2024	1	1,000,000	-	0.10

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

(₹ in Crore)

		Rate of interest %	Year of maturity	No. of bonds/ debentures/ securities	Face value	As at 31 March 2023	As at 31 March 2022
19	Indian Railway Finance Corporation Limited	9.09	2026	2	1,000,000	0.20	0.20
20	Power Finance Corporation Limited	8.94	2028	4	1,000,000	0.41	0.41
21	Indian Railway Finance Corporation Limited	8.79	2030	1	1,000,000	0.10	0.10
22	National Highway Authority of India Limited	7.26	2038	50	1,000,000	5.01	5.01
23	National Highway Authority of India Limited	7.26	2038	250	1,000,000	20.09	20.09
24	Indian Railway Finance Corporation Limited	6.95	2036	150	1,000,000	14.77	14.77
25	Power Finance Corporation Limited	9.10	2029	50	1,000,000	5.12	5.12
Investment in Non Convertible Debentures							
26	IDFC Bank Limited	8.80	2025	10	1,000,000	1.00	1.00
27	India Infrastructure Finance Company Limited	9.41	2037	5	1,000,000	0.56	0.56
28	National Housing Bank	8.63	2029	7,220	5,000	3.61	3.61
29	National Housing Bank	8.68	2029	40,000	5,000	20.53	20.53
30	National Housing Bank	8.46	2028	40	1,000,000	4.43	4.43
31	National Housing Bank	8.76	2034	20,000	5,000	12.41	12.41
32	National Housing Bank	8.68	2029	10,000	5,000	5.91	5.91
Quoted Debt Securities Investments at amortized cost :							
Investment in Government Securities							
33	Government of India (GOI)	7.54	2036	7,500,000	100	74.56	-
34	Government of India (GOI)	9.23	2043	60,000	10,000	70.29	-
35	Government of India (GOI)	7.40	2035	4,000,000	100	40.09	-
Investment in State Development Loan							
36	Tamilnadu State Development Loan	6.63	2035	4,000,000	100	36.84	-
						522.22	**305.92**
	Less : Amortisation of premium					8.79	7.55
	Less : Provision for impairment of assets					-	0.06
	Total (B)					**513.43**	**298.31**
	Total (A) + (B)					**523.43**	**308.31**
	Aggregate book value of quoted investments {Non-current + Current-(Note 7)}					528.53	363.63
	Aggregate market value of quoted investments {Non-current + Current-(Note 7)}					559.63	393.95

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

4 OTHER FINANCIAL ASSETS

(Unsecured considered good)

(₹ in Crore)

	Non-current		Current	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Others				
Security deposits	6.30	10.11	0.05	-
Interest accrued on investments	-	-	14.39	10.26
Interest accrued on bank deposits	-	-	1.98	1.36
Restricted deposits with banks against performance guarantee	11.00	7.47	-	-
Bank Deposits with maturity for more than 12 months	28.84	-	-	-
Other financial receivable*	-	-	8.03	3.98
Total	**46.14**	**17.58**	**24.45**	**15.60**

** Cost incurred towards listing related procedures, recoverable from selling shareholders.*

5 INCOME TAXES

(A) The major components of income tax expense for the year ended 31 March 2023 and 31 March 2022 are:

Profit and loss section

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
Current taxes	34.36	52.53
Deferred taxes	(0.98)	(10.84)
Income tax expense reported in the statement of profit and loss	**33.38**	**41.69**

Other Comprehensive Income (OCI) section

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

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
Re-measurement of the defined benefit liability / asset	-	-
	-	**-**

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

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

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before income taxes	140.42	185.54
Applicable enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	35.34	46.70
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	(4.90)	(5.16)
Expense not allowed for taxation purpose	2.34	2.10
Others	0.60	(1.95)
Total income tax expense	**33.38**	**41.69**

The movement in the current income tax asset/ (liability) for the year ended 31 March 2023 and year ended 31 March 2022 as follows:

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
Net current income tax asset/ (liability) at the beginning	23.05	27.72
Income tax paid	42.58	47.86
Current income tax expense	(34.36)	(52.53)
Net current income tax liability at the end	-	(3.92)
Net non current income tax assets at the end	31.27	26.97

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

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
Deferred tax assets		
Provision for compensated absences	4.11	3.80
Allowance for expected credit loss	19.43	17.69
Total deferred tax assets	**23.54**	**21.49**
Deferred tax liabilities		
Difference between tax balance and book balance of fixed assets	2.62	1.38
Others	0.09	0.26
Total deferred tax liabilities	**2.71**	**1.64**
Deferred tax assets (net)	**20.83**	**19.85**

Notes to Consolidated Financial Statements (cont..)
as at 31 March 2023

The gross movement in the deferred tax account for the year ended 31 March 2023 and year ended 31 March 2022, is as follows:

(₹ in Crore)

	31 March 2023			31 March 2022		
	Opening balance	Recognised in profit and loss	Closing balance	Opening balance	Recognised in profit and loss	Closing balance
Deferred tax assets/(liabilities) in relation to:						
Property, plant and equipment and intangible assets	(1.38)	(1.24)	(2.62)	(5.07)	3.69	(1.38)
Provision for compensated absences	3.80	0.31	4.11	3.56	0.24	3.80
Employee incentives payable			-	-	-	-
Deferred revenue	-	-	-	(0.11)	0.11	-
Allowance for expected credit loss	17.69	1.74	19.43	10.32	7.37	17.69
Others	(0.26)	0.17	(0.09)	0.20	(0.46)	(0.26)
Amortisation of expense	-	-	-	0.09	(0.09)	-
Adjustment on initial application of Ind AS 115	-	-	-	0.02	(0.02)	-
Total deferred tax assets/(liabilities)	**19.85**	**0.98**	**20.83**	**9.01**	**10.84**	**19.85**

6 OTHER ASSETS

(Unsecured considered good)

(₹ in Crore)

	Non-current		Current	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
(A) Capital advances	0.10	0.14	-	-
(C) Other advances				
Prepaid expenses	0.05	0.60	7.21	9.30
Deferred expenses	-	4.11	-	2.20
GST credit receivable*	-	-	7.25	11.92
Advance to suppliers	-	-	17.09	13.27
Other assets	-	-	0.05	0.05
	0.15	**4.85**	**31.60**	**36.74**

* GST credit receivable as on 31.03.2023 is after adjusting ₹ 5.32 Crore provision for doubtful GST credit receivable (31.03.2022 - ₹ 3.38 Crore).

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

7 CURRENT INVESTMENTS

		Year of maturity	Rate of interest	As at 31 March 2023			As at 31 March 2022		
				No. of Units	Face Value	(₹ in Crore)	No. of Units	Face Value	(₹ in Crore)
Quoted debt securities investments at amortised cost :									
Non convertible debentures									
Current portion of Non Convertible Debentures									
1	Infrastructure Leasing & Finance Services Limited	2023	9.55	-	-	-	550	1,000	0.06
Bonds									
2	Rural Electrification Corporation	2022	9.35	-	-	-	4	1,000,000	0.40
3	EXIM Bank Limited	2022	9.25	-	-	-	2	1,000,000	0.20
4	HDB Financial Services Limited	2023	9.60	-	-	-	2	1,000,000	0.20
5	Rural Electrification Corporation	2022	7.21	-	-	-	130	1,000,000	13.29
6	National Hydroelectric Power Corporation Limited	2023	8.18	50,000	1,000	5.38	-	-	-
7	HDB Financial Services Limited	2024	10.19	1	1,000,000	0.10	-	-	-
Investments carried at fair value through profit or loss :									
Liquid Mutual funds									
1	Axis Liquid Fund - Direct Plan - Daily IDCW	-	-	-	-	-	51,434	1,001	5.15
2	UTI Liquid Cash Plan - Direct Plan - Daily Reinvestment of IDCW	-	-	-	-	-	49,486	1,043	5.16
3	LIC MF Liquid Fund- Direct Plan - IDCW	-	-	-	-	-	50,805	1,014	5.15
4	ICICI Prudential Liquid Fund - Direct Plan - Daily IDCW	-	-	-	-	-	514,207	100	5.15
5	Aditya Birla Sun Life Money Manager Fund- Daily IDCW	-	-	-	-	-	513,947	100	5.15
6	Sundaram Liquid Fund (Formerly Principal Cash Management Fund- Direct Plan IDCW Daily Reinvestment)	-	-	-	-	-	51,419	1,001	5.15
7	IDFC Cash Fund- Daily IDCW	-	-	-	-	-	51,375	1,002	5.15
8	Canara Robeco Liquid Fund- Direct Daily IDCW	-	-	-	-	-	51,149	1,006	5.14
	Less : Amortisation of premium on Bonds / Non Convertible Debentures					0.38			-
	Total					**5.10**			**55.35**

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

8 TRADE RECEIVABLES

(₹ in Crore)

Particulars	Current	
	31 March 2023	31 March 2022
Trade receivable considered good - unsecured	286.07	270.68
Less: Allowance for expected credit loss (Refer Note 23.3)	77.21	70.29
Total	**208.86**	**200.39**

An amount of ₹ 92 Crore is receivable as at 31 March 2023 from Income Tax Department (ITD) towards physical storage of PAN applications (₹ 59 Crore) and towards NJRS project (software development, support and maintenance services) (₹ 33 Crore), of which ₹ 45 Crore is outstanding for more than 3 years. Approval for release of payments towards storage is under process. For NJRS payments, ITD has recently engaged National Institute of Smart Governance (NISG) for verification of SLAs which is in progress.

Based on the expected credit loss model followed as per Ind AS 109 'Financial Instruments', the company has recognized provision of ₹ 45 Crore which covers amount overdue for more than 3 years.

The following ageing schedule shows the Trade receivables due from the transaction date:

Particulars	Outstanding for following periods due from the transaction date as on 31 March 2023					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	117.42	11.90	13.26	16.56	15.95	175.09
(ii) Undisputed Trade Receivables – considered doubtful	15.00	0.54	7.79	11.22	30.82	65.37
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	11.19	11.19
(iv) Disputed Trade Receivables considered doubtful"	-	-	-	10.54	8.39	18.93
						270.58
Add: Unbilled						15.49
Total						**286.07**

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

Particulars		Outstanding for following periods due from the transaction date as on 31 March 2022					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables – considered good	110.80	14.42	18.84	25.44	20.34	189.84
(ii)	Undisputed Trade Receivables – considered doubtful	3.02	2.57	14.27	19.76	10.55	50.17
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iii)	Disputed Trade Receivables considered good	-	-	-	11.19	-	11.19
(iv)	Disputed Trade Receivables considered doubtful	-	-	10.54	8.39	-	18.93
							270.13
Add: Unbilled							0.55
Total							**270.68**

9 CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
Cash and cash equivalents		
Cash on hand	0.01	0.01
Balances with banks in current accounts	9.13	79.68
Cheques in hand	-	2.03
Bank Deposits with original maturity for less than 3 months	8.00	125.00
	17.14	**206.72**

10 OTHER BANK BALANCES

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
Bank Deposits with original maturity for more than 3 months but less than 12 months	120.39	26.78
	120.39	**26.78**

Portion of deposits held as restricted deposits with bank against performance guarantee are recognised under Note 4 'Other financial assets'

Notes to Consolidated Financial Statements (cont..)
as at 31 March 2023

11 EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
Authorised		
50,00,00,000 (31 March 2022: 50,00,00,000) equity shares of ₹ 10 each.	500.00	500.00
Issued, Subscribed and Paid-up		
4,04,21,394 (31 March 2022: 4,03,84,076) equity shares of ₹ 10 each fully paid up	40.42	40.38
Total	**40.42**	**40.38**

a) Reconciliation of number of shares

(₹ in Crore)

	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Opening balance	40,384,076	40.38	40,139,462	40.14
Issued during the year	37,318	0.04	244,614	0.24
Closing balance	40,421,394	40.42	40,384,076	40.38

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

	31 March 2023		31 March 2022	
	Numbers of Shares Held	% of Holding	Numbers of Shares Held	% of Holding
NSE Investments Limited	10,018,000	24.78	10,018,000	24.81
IIFL Special Opportunities Fund	2,894,507	7.16	2,894,507	7.17
Administrator of Specified Undertaking of Unit Trust of India	2,732,000	6.76	2,732,000	6.77
IIFL Special Opportunities Fund – Series 4	2,499,178	6.18	2,499,178	6.19
IIFL Special Opportunities Fund – Series 2	2,016,366	4.99	2,016,366	4.99

Notes to Consolidated Financial Statements (cont..)
as at 31 March 2023

d) **Shareholding of Promoters as below**

Shares held by promoters at the end of the year

Promoter name	As at 31 March 2023		
	No. of Shares	% of total shares	% Change during the year
There is no promoter holding at the end of the year	-	-	-

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

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

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

12 OTHER EQUITY

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
a) Capital redemption reserve		
Balance at the beginning of the year	25.00	25.00
Balance at the end of the year	**25.00**	**25.00**
b) General reserve		
Balance at the beginning of the year	398.65	398.65
Balance at the end of the year	**398.65**	**398.65**
c) Retained earnings		
Balance at the beginning of the year	305.28	194.10
(i) Dividend	(40.38)	(36.27)
(ii) Profit for the year	107.04	143.82
(iii) Re-measurement of the defined benefit liability / asset	(0.83)	3.63
Balance at the end of the year	**371.11**	**305.28**
d) ESOP reserve		
Balance at the beginning of the year	2.24	4.69
(i) Share based payment expense	2.34	1.57
(ii) Transfer to Securities Premium on exercise of stock options	(1.46)	(4.02)
Balance at the end of the year	**3.12**	**2.24**
e) Securities premium		
Balance at the beginning of the year	16.61	5.25
(i) Issue of shares to employees on account of exercise of stock options	0.74	7.34
(ii) Transfer from ESOP Reserve on exercise of stock options	1.46	4.02
Balance at the end of the year	18.81	16.61
	816.69	**747.78**

Notes to Consolidated Financial Statements (cont..)
as at 31 March 2023

13 TRADE PAYABLES

(₹ in Crore)

Particulars	Current	
	31 March 2023	31 March 2022
Trade payables		
Dues of micro enterprises and small enterprises (Refer Note 36)	19.19	5.66
Dues of creditors other than micro enterprises and small enterprises	112.64	90.06
	131.83	**95.72**

The following ageing schedule shows the Trade payables due for payment from the transaction date:

Particulars	Outstanding for following year from due date of payment as on 31 March 2023				
	Not due and less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	19.19	-	-	-	19.19
Others	83.97	4.52	5.90	18.25	112.64
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Particulars	Outstanding for following year from due date of payment as on 31 March 2022				
	Not due and less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	5.66	-	-	-	5.66
Others	52.02	8.05	11.35	18.64	90.06
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

14 OTHER FINANCIAL LIABILITIES

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
Creditors for capital expenditure	0.34	0.24
Directors' commission payable	0.99	1.28
Employee benefits payable	1.23	1.15
Employee incentives payable	16.91	9.25
Other liabilities	2.06	1.53
Total	**21.53**	**13.45**

Notes to Consolidated Financial Statements (cont..)
as at 31 March 2023

15 PROVISIONS

(₹ in Crore)

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits				
Provision for gratuity (Refer Note 22)	1.03	2.01	4.17	3.27
Provision for compensated absences	14.41	13.17	1.91	1.95
Total	**15.44**	**15.18**	**6.08**	**5.22**

16 OTHER LIABILITIES

(₹ in Crore)

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Contract liability*	-	1.37	43.05	37.85
Statutory dues payable:				
Goods and services tax payable	-	-	13.82	9.42
TDS payable	-	-	6.55	5.85
Other statutory liabilities	-	-	0.96	0.54
Total	**-**	**1.37**	**64.38**	**53.66**

**includes deferred revenue Nil (31 March 2022: ₹ 5.00 Crore)*

17 REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
Sale of services :		
Transaction fees	519.73	485.72
Accounts maintenance fees	221.16	203.86
Other operational income	1.31	1.33
Total	**742.20**	**690.91**

Information about major customers:

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2023 and 31 March 2022.

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

During the year ended 31 March 2023 and 31 March 2022, no revenue is earned from sale of distinct software and manufactured systems/traded goods.

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

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

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	39.22	37.50
Add: Invoices raised/advance received for which no revenue is recognised during the year	22.07	18.74
Less: revenue recognised that was included in the contract liabilities at the beginning of the year	(18.24)	(17.02)
Balance at the end of the year	**43.05**	**39.22**

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

Reconciliation of revenue recognised in the Statement of Profit and Loss with the contracted price

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Contracted price with the customers	742.20	690.91
Less/Add: Adjustments	-	-
Revenue from contracts with customers (as per Statement of Profit and Loss)	**742.20**	**690.91**

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.

18 OTHER INCOME

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Interest income		
- financial assets	32.05	19.65
- bank deposits	5.40	3.82
- overdue trade receivables	-	1.53
- security deposits	0.18	0.76
Dividend income	1.63	1.31
Support charges	0.87	0.59
Rent income	-	1.66
Miscellaneous income	1.53	2.67
Sundry balances written back	-	2.89
Profit on discard of leased assets (net)	-	0.25
Profit on sale of assets (net)	-	43.90
Total	**41.66**	**79.03**

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

19 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Salaries, wages and bonus	102.90	64.72
Share based payment expense	2.34	1.57
Contribution to provident and other funds	11.63	8.76
Staff welfare expenses	6.08	3.64
Total	**122.95**	**78.69**

20 OTHER EXPENSES

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Rent	0.64	0.23
Communication expenses	10.67	10.42
Travelling and conveyance expenses	5.58	1.18
Annual fees	11.12	9.98
Processing charges	325.70	336.30
Repairs and maintenance		
- To buildings	3.43	2.51
- To computers, trading and telecommunication systems	89.51	66.12
- To others	2.57	1.78
Insurance	1.78	2.66
Rates and taxes	3.13	1.66
Advertisement and publicity	5.65	4.59
Legal and Professional fees	10.89	9.78
Printing and stationery expenses	0.03	0.18
Payment to auditors (Refer Note below)	0.36	0.45
Electricity charges / power and fuel	3.46	2.66
Directors' sitting fees	1.20	0.67
Directors' commission	1.14	1.44
Bad debts written off	0.12	-
Provision for doubtful GST credit	1.16	-
Expenditure incurred on CSR activities (Refer Note 37)	2.91	3.48
Miscellaneous expenses	2.68	1.96
Total	**483.73**	**458.05**

Note :		
Payment to auditors		
As auditors :		
Audit fees (including Limited Review)	0.32	0.37
Tax audit fee	0.03	0.02
In other capacity		
Certification matters	0.01	0.06
Total	**0.36**	**0.45**

Payment to auditors excludes payment related to Public offering which is recoverable from selling shareholders.

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

21 EARNINGS PER SHARE

In accordance with Indian Accounting Standard 33 - "Earnings Per Share" notified under Rule 7 of the Companies (Accounts) Rules, 2014, the required disclosures are given in the table below:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Net profit attributable to shareholders of the Company	107.04	143.82
Weighted Average number of equity shares for basic EPS	40,390,172	40,231,036
Basic earnings per share of ₹ 10/- each (in ₹)	26.50	35.75
Weighted Average number of equity shares for diluted EPS	40,429,168	40,267,516
Diluted earnings per share of ₹ 10/- each (in ₹)	26.48	35.72

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

(₹ in Crore)

Particulars	1 April 2022 to 31 March 2023		1 April 2021 to 31 March 2022	
	Basic	Diluted	Basic	Diluted
Balance at the beginning of the year	40,384,076	40,384,076	40,139,462	40,139,462
Effect of share options exercised	6,096	45,092	91,574	128,054
Weighted average number of equity shares for the year	40,390,172	40,429,168	40,231,036	40,267,516

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

i) Defined contribution plan:

(a) The Group's contribution towards superannuation amounts to ₹ 1.78 Crore (31 March 2022: ₹ 1.76 Crore). These contributions are made to the fund administered and managed by Life Insurance Corporation of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred.

(b) Provident fund: Eligible employees of the Group receive benefit under the provident fund which is a defined contribution plan wherein both the employee and the Company make monthly contributions equal to a specified percentage of the covered employees' salary. These contributions are made to the fund administered and managed by the Government of India. The Company's monthly contributions are charged to the Statement of Profit and Loss in the year they are incurred. The total charge for the year amounts to ₹ 4.75 Crore (31 March 2022 - ₹ 2.67 Crore).

ii) Defined benefit plan :

(a) Gratuity: The Group has charged the gratuity expense to Statement of Profit & Loss based on the actuarial valuation of gratuity liability at the end of the year. The actuarial valuation has been performed using projected unit credit method.

(i) Assumptions:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Weighted average duration of the projected benefit obligation	11	11
Discount rate	7.52%	7.23%
Rate of return on plan assets	7.52%	7.23%
Salary escalation	8.00%	8.00%
Attrition rate	5.00%	5.00%

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

(ii) Sensitivity analysis

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Delta effect of +1% change in rate of discounting	(3.70)	(3.65)
Delta effect of -1% change in rate of discounting	4.27	4.24
Delta effect of +1% change in rate of salary increase	4.21	4.16
Delta effect of -1% change in rate of salary increase	(3.72)	(3.66)
Delta effect of +1% change in rate of employee turnover	(0.19)	(0.26)
Delta effect of -1% change in rate of employee turnover	0.20	0.29

(iii) Table showing change in benefit obligation:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Liability at the beginning of the year	47.25	43.79
Interest cost	3.41	2.99
Current service cost	3.56	3.63
Benefits paid	(4.76)	(0.63)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	0.02
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.17)	(1.74)
Actuarial (gains)/losses on obligations - due to experience	2.43	(0.81)
Liability at the end of the year	**50.72**	**47.25**

(iv) Table showing fair value of plan assets:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets at the beginning of the year	41.97	34.18
Interest income	3.03	2.33
Contributions	4.86	5.00
Benefits paid	(4.76)	(0.63)
Actuarial gain / (loss) on plan assets	0.42	1.09
Fair value of plan assets at the end of the year	**45.52**	**41.97**

(v) Amount recognised in the Balance Sheet

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets as at the end of the year	45.52	41.97
Liability as at the end of the year	50.72	47.25
Net (liability) / asset disclosed in the Balance Sheet	**(5.20)**	**(5.28)**

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

(vi) Net interest cost for current year

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest cost	3.41	2.99
Interest income	(3.03)	(2.33)
Net interest cost for current year	**0.38**	**0.66**

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

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	3.56	3.63
Net interest cost	0.38	0.66
Expenses recognised in the Statement of profit and loss	**3.94**	**4.29**

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

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Expected return on plan assets	(0.42)	(1.09)
Actuarial (gain) or loss	1.25	(2.54)
Net (income)/expense for the year recognized in OCI	**0.83**	**(3.63)**

(ix) Balance sheet reconciliation

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening net liability	5.28	9.62
Expenses recognized in statement of profit and loss	3.95	4.29
Expenses recognized in OCI	0.83	(3.63)
Employer's contribution	(4.86)	(5.00)
Amount recognised in the balance sheet	**5.20**	**5.28**

(x) Category of assets

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
LIC of India - Insurer managed funds	45.50	41.95
Total	**45.50**	**41.95**

(xi) Expected contribution for next year

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Expected contribution for next year	4.17	3.27
Total	**4.17**	**3.27**

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

(xii) Maturity Analysis of the Benefit Payments

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	6.85	6.98
2nd Following Year	2.37	2.12
3rd Following Year	3.90	2.19
4th Following Year	5.99	3.28
5th Following Year	3.75	5.34
Sum of Years 6 To 10	15.43	14.92
Sum of Years 11 and above	69.25	66.52

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

(₹ in Crore)

Particulars	2022-23	2021-22	2020-21	2019-20	2018-2019
Present value of the defined benefit obligation	50.72	47.23	43.79	43.99	35.68
Fair value of the plan assets	45.52	41.95	34.18	37.27	32.87
Deficit in the plan	5.20	5.28	9.61	6.72	2.81
Experience adjustments arising on					
- plan assets	-	-	-	-	-
- plan liabilities loss / (gain)	2.43	(0.81)	2.01	0.74	0.50

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

23 FINANCIAL INSTRUMENTS

23.1 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2023 were as follows:

(₹ in Crore)

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	17.14	-	-	-		17.14	17.14
Other bank balances	120.39	-	-	-	-	120.39	120.39
Investments							
Bonds and government securities	433.24	-	-	-	-	433.24	433.24
Equity shares	-	10.00	-	-		10.00	10.00
Investment in State Development Loan	36.84	-	-	-	-	36.84	36.84
Liquid mutual fund units	-	-	-	-	-	-	-
Non convertible debentures	48.45	-	-	-	-	48.45	48.45
Trade receivables	208.86	-	-	-	-	208.86	208.86
Other financial assets	70.59	-	-	-	-	70.59	70.59
Total	**935.51**	**10.00**	**-**	**-**	**-**	**945.51**	**945.51**
Liabilities:							
Lease liabilities	7.92	-	-	-	-	7.92	7.92
Trade payables	131.83	-	-	-	-	131.83	131.83
Other financial liabilities	21.53	-	-	-	-	21.53	21.53
Total	**161.28**	**-**	**-**	**-**	**-**	**161.28**	**161.28**

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

(₹ in Crore)

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	206.72	-	-	-	-	206.72	206.72
Bonds and government securities	263.93	-	-	-	-	263.93	263.93
Equity shares	-	10.00	-	-	-	10.00	10.00
Liquid mutual fund units	-	-	41.20	-	-	41.20	41.20
Non convertible debentures	48.51	-	-	-	-	48.51	48.51
Trade receivables	200.39	-	-	-	-	200.39	200.39
Other financial assets	59.98	-	-	-	-	59.98	59.98
Total	**779.53**	**10.00**	**41.20**	**-**	**-**	**830.73**	**830.73**

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

(₹ in Crore)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated Upon Initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Liabilities:							
Lease liabilities	11.68	-	-	-	-	11.68	11.68
Trade payables	95.72	-	-	-	-	95.72	95.72
Other financial liabilities	13.45	-	-	-	-	13.45	13.45
Total	**120.85**	**-**	**-**	**-**	**-**	**120.85**	**120.85**

23.2 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required):

As of 31 March 2023

Particulars	Fair value measurement at end of the reporting year		
	Level 1	Level 2	Level 3
Assets			
Investment in State Development Loan	-	36.84	-
Investment in bonds and government securities	-	433.24	-
Investment in equity shares	-	-	10.00
Investments in non convertible debentures	48.45	-	-

As of 31 March 2022

Particulars	Fair value measurement at end of the reporting year		
	Level 1	Level 2	Level 3
Assets			
Investments in liquid mutual fund units	-	41.20	-
Investment in bonds and government securities	-	263.93	-
Investment in equity shares	-	-	10.00
Investments in non convertible debentures	48.51	-	-

There has been no transfers between Level 1 and Level 2

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

Notes to Consolidated Financial Statements (cont..)
as at 31 March 2023

23.3 Financial risk management

Financial risk factors

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

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 208.86 Crore and ₹ 200.39 Crore as of 31 March 2023 and 31 March 2022, respectively. Trade receivables is typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

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

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
Revenue from top customer	4.00	6.00
Revenue from top five customers	11.00	15.00

Credit risk exposure

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

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
Balance at the beginning	70.29	41.02
Amounts written off	(10.63)	(1.10)
Net remeasurement of loss allowance	17.55	30.37
Balance at the end	**77.21**	**70.29**

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

Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are credit impaired if it exceeds a specified number of days for respective categories of customers.

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

Expected credit loss (ECL):

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available information etc.) and applying experienced credit

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

judgement. Exposures to customers outstanding at the end of each reporting year are reviewed by the Company to determine incurred and expected credit losses, giving due regard for probable exposures on disputed dues or dues that are subject to litigation. Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Company expects the historical trend of minimal credit losses to continue.

Liquidity risk

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

The Group's working capital including cash and cash equivalents and investment are as follows :

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
Current assets	407.54	541.58
Current liability	227.79	175.73
Working capital	179.75	365.85
Cash and cash equivalents	17.14	206.72
Investments	5.10	55.35

As of 31 March 2023 and 31 March 2022, the outstanding employee benefit obligations were ₹ 21.52 Crore and ₹ 20.40 Crore (Refer Note 15 and 22) respectively, which will be substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2023:

(₹ in Crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	131.83	-	-	-	131.83
Lease liabilities	3.97	3.95			7.92
Other financial liabilities	21.53	-	-	-	21.53

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2022:

(₹ in Crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	95.72	-	-	-	95.72
Lease liabilities	3.76	7.92			11.68
Other financial liabilities	13.45	-	-	-	13.45

24 SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and allocating performance. The Group's Chief Executive Officer and Managing Director form the Chief Operating Decision Makers.

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

Notes to Consolidated Financial Statements (cont..)
as at 31 March 2023

25 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.	**Entities having substantial interest**
	IIFL Special Opportunities Fund (from 16 February 2018)
	NSE Investments Limited (erstwhile NSE Strategic Investments Corporation Limited) (from 1 October 2013)
b.	**Key Managerial Personnel**
	Mr Suresh Sethi - Managing Director & Chief Executive Officer (From 18 February 2021)
	Mr. Jayesh Sule - Whole Time Director & Chief Operating Officer
	Mr. Tejas Desai - Chief Financial Officer (till 8 January 2023)
	Mr. Sudeep Bhatia - Chief Financial Officer (From 9 January 2023)
	Mr. Maulesh Kantharia - Company Secretary
c.	**Subsidiaries**
	NSDL e-Governance (Malaysia) SDN BHD
	Protean eGov Technologies Australia Pty Ltd (Formerly known as NSDL e-Governance Australia Pty Ltd) (from 9 December 2020)
	NSDL e-Governance Account Aggregator Limited (from 2 November 2020)
	Protean Infosec Services Limited (Formerly known as NSDL e-Governance Infosec Services Limited) (from 30 September 2021)
d.	**Associates**
	Open Network for Digital Commerce (from 30 December 2021 up to 8 March 2022)

25 (b) Details of transactions with related parties are as follows :

(₹ in Crore)

Nature of transactions	2022-23			2021-22		
	Key Managerial Personnel	Subsidiaries	Entities having substantial interest	Key Managerial Personnel	Subsidiaries	Entity having substantial interest
Dividend paid						
IIFL Special Opportunities Fund	-	-	12.00	-	-	10.80
NSE Investments Limited	-	-	1.00	-	-	9.02
Mr. Suresh Sethi	0.04	-	-	-	-	-
Mr. Jayesh Sule	0.04	-	-	0.04	-	-
Mr. Tejas Desai	0.01	-	-	0.01	-	-
Mr. Maulesh Kantharia	0.00	-	-	0.00	-	-
Remuneration paid						
Mr. Suresh Sethi	4.88	-	-	4.16	-	-
Mr. Jayesh Sule	3.29	-	-	3.82	-	-
Mr. Sudeep Bhatia	0.47	-	-	-	-	-
Mr. Tejas Desai	1.04	-	-	0.83	-	-
Mr. Maulesh Kantharia	0.40	-	-	0.36	-	-

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

(₹ in Crore)

Nature of transactions	2022-23			2021-22		
	Key Managerial Personnel	Subsidiaries	Entities having substantial interest	Key Managerial Personnel	Subsidiaries	Entity having substantial interest
Share based payment						
Mr. Suresh Sethi	0.27	-	-	0.03	-	-
Mr. Jayesh Sule	0.06	-	-	0.99	-	-
Mr. Tejas Desai	0.02	-	-	0.02	-	-
Mr. Sudeep Bhatia	0.08	-	-	-	-	-
Mr. Maulesh Kantharia	0.01	-	-	0.01	-	-

Notes:

1) The above remuneration excludes gratuity, leave encashment and other benefits for which separate actuarial valuation is not available.
2) Expenses incurred for listing of shares would be recoverable from selling shareholder's in proportionate to the stake sale.
3) The amounts disclosed as ₹ 0.00 crore represents value less than ₹ 0.01 crore.

26 MINORITY INTEREST IN NSDL E-GOVERNANCE (MALAYSIA) SDN BHD :

Percentage of holding	%
Protean eGov Technologies Limited	51
Minority	49
Total	**100**

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

Breakup of reserves & surplus

Reserve and surplus calculation

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
	Non-controlling interest	Non-controlling interest
Opening	(0.19)	(0.19)
Profit / (loss) during the year*	-	-
Closing	(0.19)	(0.19)

**Represents value less than ₹0.01 Crore for financial year ended 31 March 2023.*

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

27 LEASES:

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

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	12.18	6.10
Additions	-	12.62
Termination	-	1.85
Depreciation	4.27	4.69
Closing balance	**7.91**	**12.18**

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

The following is the break-up of current and non-current lease liabilities as at 31 March 2023 and 31 March 2022:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Current lease liabilities	3.97	3.76
Non-current lease liabilities	3.95	7.92
Total	**7.92**	**11.68**

The following is the movement in lease liabilities:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	11.68	6.19
Additions	-	12.04
Finance cost accrued during the year	0.93	0.48
Deletions		
Termination	**-**	**2.09**
Payment of lease liabilities	4.69	4.94
Closing balance	**7.92**	**11.68**

Interest on lease liabilities is ₹ 0.93 Crore and ₹ 0.48 Crore for the year ended on 31 March 2023 and 31 March 2022 respectively.

The Weighted average incremental borrowing rate of 9.30% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

The table below provides details regarding the contractual maturities of lease liability as at 31 March 2023 and 31 March 2022 on an undiscounted basis:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	4.54	4.69
One to five years	4.14	8.68
More than five years	-	-
Total	**8.68**	**13.37**

Rental expense recorded for short-term leases and low- value assets was ₹ 0.64 Crore and ₹ 0.23 Crore for the year ended 31 March 2023 and 31 March 2022 respectively.

The total cash outflow for leases is ₹ 5.33 Crore and ₹ 5.17 Crore for the year ended 31 March 2023 and 31 March 2022 respectively, including cash outflow of short-term leases and leases of low-value assets.

Lease contracts entered by the Group pertains to office premises taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

28 CAPITAL AND OTHER COMMITMENTS

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital Commitments	1.99	1.74
Other Commitments - Bank guarantee	11.00	7.85

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

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

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

30 RATIOS

Particulars	Numerator/ Denominator	As at 31 March 2023	As at 31 March 2022	Variance
Current Ratio*	Current Asset / Current Liabilities	1.79	3.08	-42%
Net profit Ratio**	Net Profit after taxes / Revenue From Operations	14%	21%	-31%
Return on Equity**	Net Profit after taxes / Average Shareholder's Equity	12%	18%	-32%
Return on Capital employed**	Earning before interest and taxes/ Capital Employed (Shareholder's Equity + Non-current liabilities)	16%	23%	-30%
Return on Investment	Income received from investment / Average investment	6%	6%	11%
Net Capital turnover Ratio#	Revenue From Operations / Working Capital	4.13	1.89	119%
Trade receivables turnover ratio	Revenue From Operations / Average Accounts Receivable	3.55	3.45	3%
Trade payables turnover ratio	Other expenses / Average Trade Payables	3.67	4.79	-23%

** Decrease in current ratio is due to increase in cash and cash equivalent in FY 2021-22 on account of amount received as sale proceeds from Bangalore data centre.*

*** In FY 2021-22, profitability ratio is increased due to business profit earned on sale of Bangalore data centre.*

 # In FY 2021-22, there is increase in working capital on account of sale of Banglore data centre at the end of the year due to which ratio has decreased.

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

31 EMPLOYEE STOCK OPTION PLAN

The shareholders of the Company had approved NSDL Employees Stock Option Plan, 2017 on December 4, 2017 to be provided to specified categories of employees of the Company.

Pursuant to the Plan, the Company has granted options on various dates which are subject to varying conditions. A summary of options granted until date and conditions attached thereto has been tabulated below:

Grant Condition

Grant date	Exercise Price	Options granted	Options vested and Exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding	Face Value	Vesting period
4 December 2017	310	396,192	19,468	-	348,884	27,840	19,468	10	25% of the options granted will vest on 1st, 2nd, 3rd and 4th anniversary from the date of grant.
18 September 2020	310	20,000	-	-	20,000	-	-	10	
3 December 2020	310	40,000	-	-	40,000	-	-	10	
18 November 2021	10	38,240	18,900	-	12,510	6,830	18,900	10	100% on completion of one year from grant date
27 June 2022	647	18,921	-	17,348	-	1,573	17,348	10	30% , 30% and 40% respectively will vest on 1st, 2nd and 3rd anniversary from the date of grant
27 June 2022	10	17,728	-	15,493	-	2,235	15,493	10	100% on completion of three years from grant date
26 August 2022	678	8,921	-	8,448	-	473	8,448	10	30% , 30% and 40% respectively will vest on 1st, 2nd and 3rd anniversary from the date of grant
26 August 2022	10	7,997	-	7,324	-	673	7,324	10	100% on completion of three years from grant date
23 November 2022	678	9,576	-	9,576	-	-	9,576	10	30% , 30% and 40% respectively will vest on 1st, 2nd and 3rd anniversary from the date of grant
23 November 2022	10	8,442	-	8,442	-	-	8,442	10	100% on completion of three years from grant date
15 February 2023	795.85	10,409	-	10,409	-	-	10,409	10	30% , 30% and 40% respectively will vest on 1st, 2nd and 3rd anniversary from the date of grant
15 February 2023	10	9,629	-	9,629	-	-	9,629	10	100% on completion of three years from grant date
Total		**586,055**	**38,368**	**86,669**	**421,394**	**39,624**	**125,037**		

Notes to Consolidated Financial Statements (cont..)

for the year ended 31 March 2023

Exercise period in all above grant is three years from the date of vesting.

Movement of stock options during the year

Particulars	For the year ended 31 March 2023				For the year ended 31 March 2022			
	No. of options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)	No. of options	Range of exercise prices ₹	Weighted average exercise price ₹	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	83,256	(10-310)	180.00	3.15	292,719	310	310	2.68
Granted during the year	91,623	(10-795.85)	365.68	5.02	38,240	10	10	3.00
Forfeited during the year	(12,524)	(10-678)	-	-	(3,089)	(10-310)	98	-
Exercised during the year	(37,318)	(10-310)	209.43	-	(244,614)	310	310	-
Rounding off difference	-	-	-	-	-	-	-	-
Outstanding at the end of the year	125,037	(10-795.85)	307.00	4.08	83,256	(10-310)	180	3.15
Exercisable at the end of the year	38,368	(10-795.85)	162	1.97	27,196	310	310	2.11

The weighted average remaining contractual life for the share options outstanding as at 31 March 2022 was 4.08 years (31 March 2022 : 3.15 years). The weighted average share price for the options exercised during the year was ₹ 209.43 (31 March 2022 : ₹ 310). Maximum Term of the options is 7 Years.

The weighted average fair value of the options granted during the year was ₹ 365.68 (31 March 2022 : ₹ 616). The weighted average share price for the options granted during the year was ₹ 795.85 (31 March 2022 : ₹ 667)."

The aggregate compensation cost of ₹ 2.34 Crore (31 March 2022: ₹ 1.57 Crore) has been recognised under the ESOP plan 2017 and has been disclosed under Employee benefit expense under Note 19.

Significant assumptions used to estimate the fair value of options:

Variables	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Fair value at the time of the option grant (₹)
Grant date 18 September 2020	4.66%	2.50	104.65%	0.00%	468.00
Grant date 2 December 2020	4.48%	3.00	89.63%	0.00%	468.00
Grant date 18 November 2021	6.05%	3.00	89.63%	2.14%	667.00
Grant date 27 June 2022	7.33%	3.00	67.50%	1.26%	744.84
Grant date 27 June 2022	6.92%	1.00	68.55%	1.26%	396.47
Grant date 27 June 2022	7.21%	2.00	68.99%	1.26%	446.56
Grant date 27 June 2022	7.33%	3.00	67.50%	1.26%	477.76
Grant date 26 August 2022	7.10%	3.00	67.53%	1.26%	744.77
Grant date 26 August 2022	6.84%	1.00	68.89%	1.26%	386.65
Grant date 26 August 2022	6.96%	2.00	69.38%	1.26%	437.54
Grant date 26 August 2022	7.10%	3.00	67.53%	1.26%	468.49
Grant date 23 November 2022	7.32%	3.00	67.77%	1.26%	744.84
Grant date 23 November 2022	7.15%	1.00	65.47%	1.26%	376.53
Grant date 23 November 2022	7.26%	2.00	70.33%	1.26%	443.02
Grant date 23 November 2022	7.32%	3.00	67.77%	1.26%	471.05

The fair value of ESOPs granted is determined using Black & Scholes Model.

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

32 DETAILS OF TRANSACTIONS WITH STRUCK OFF COMPANIES:

(₹ in Crore)

Sr. No	Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as on 31.03.2023	Balance outstanding as on 31.03.2022	Relationship with the Struck off company, if any, to be disclosed
1	Integra Micro Systems Pvt Ltd	Receivables	-	0.01	-
2	CommScope Solutions India Private Limited	Receivables	-	0.01	-
3	Satguru Cements Private Limited	Receivables	-	*0.00	-
4	Pravasi Enterprises Ltd	Receivables	-	**0.00	-
5	Midwest Granite (Pondicherry) Private Limited	Receivables	-	@0.00	-
6	Haldiram Snacks Pvt Ltd	Receivables	-	#0.00	-
7	Whizkids Computer Pvt Ltd	Receivables	-	$0.00	-
8	Channel Plastic Pvt Ltd	Receivables	-	Not Applicable	-
9	Enrich Financial Services Ltd	Receivables	-	Not Applicable	-

*Amount rounded off here i.e. for 31.03.2022: * ₹ 1,494, ** ₹ 254, @ ₹ 3,065, # ₹ 1,523, $ ₹ 95.*

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

34 During the year the Group has no transactions to report against the disclosure requirement relating to utilization of share premium as notified by MCA pursuant to amended Schedule III of Companies Act, 2013.

35 CONTINGENT LIABILITIES:

(i) On account of disputed demand raised by Sales tax officer for MVAT and CST: ₹22.63 Crore (31 March 2022: ₹22.63 Crore) @

(ii) Claims against the Group not acknowledged as debts: ₹ 0.99 Crore (31 March 2022 : ₹ 0.99 Crore) (net) #

(iii) On account of demand raised by Income tax officer for AY 2016-2017 : ₹ 1.36 Crore (31 March 2022: ₹ 1.36 Crore)$

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

@ Demand raised by sales tax officer for MVAT and CST payable on services provided by Group. The Group has filed an appeal before the Sales Tax Tribunal and paid a deposit of ₹ 1.42 Crore under protest. The amounts assessed as contingent liability do not include interest that could be claimed by the authorities. In terms of its Order dated 28 January 2022, the Tribunal has quashed and set aside the Order passed by the First Appellate Authority.

 # MVAT payable to seller on purchase of Times Tower premises

$ Demand raised by Income tax officer is on account of disallowance of deduction claimed by the Company under Section 35AC and Chapter VI-A of Income tax Act, 1961 in income tax return filed for Assessment Year 2016-17 vide Order dated 10 February 2022. Company has filed rectification application as well as appeal before CIT(A) against said demand.

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

36 DETAILS OF DUES TO MICRO AND SMALL, MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

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

(₹ in Crore)

Particulars	31 March 2023	31 March 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-- Principal	19.19	5.66
-- 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	-	-

37 CORPORATE SOCIAL RESPONSIBILITY

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

a) Gross amount required to be spent by the Group on Corporate Social Responsibility activities during the financial year is ₹ 2.89 Crore (₹ 2.98 Crore for FY 2021-22).

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

b) Amount spent during the year :

(₹ in Crore)

Particulars	Amount paid	Paid in subsequent period	Yet to be paid	Total
31-Mar-23				
Construction / acquisition of any asset	-	-	-	-
On above purpose	2.91	-	-	2.91
31-Mar-22				
Construction / acquisition of any asset	-	-	-	-
On above purpose	3.48	-	-	3.48

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Amount required to be spent by the Group during the year	2.89	2.98
Amount of expenditure incurred	2.91	3.48
Shortfall/(Excess) at the end of the year	(0.02)	(0.50)
Total of previous years shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities	Charitable activity	Charitable activity
Details of related party transactions	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation	Not applicable	Not applicable

38 CAPITAL MANAGEMENT

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

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

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

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

39 INVESTOR EDUCATION & PROTECTION FUND

For the year ended 31 March 2023 and 31 March 2022 the Group is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

40 SOCIAL SECURITY CODE

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

41 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs (""MCA"") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

a) IND AS 1 - Presentation of financial statements: This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

b) Ind AS 8 - Accounting policies, changes in accounting estimates and errors: This amendment has introduced a definition of accounting estimates and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

c) Ind AS 12 - Income taxes: This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company is currently in the process of evaluating the impact of the amendments on the Financial Statements.

42 DIVIDEND

Dividends declared by the Company are based on the profit available for distribution. On May 19, 2023, the Board of Directors of the Company have proposed a final dividend of ₹ 10 per share in respect of the year ended March 31, 2023 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 40.42 Crore.

Dividends paid during the year ended 31 March 2023 include an amount of ₹ 10 per equity share towards final dividedndnd for the year ended 31 March 2022. Dividends paid during the year ended 31 March 2022 comprise of ₹ 35 per equity share towards interim dividend of 31 March 2022 and ₹ 9 per equity share towards final dividend for the year ended 31 March 2021.

43 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

(a) Crypto Currency or Virtual Currency

(b) Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)

(c) Registration of charges or satisfaction with Registrar of Companies

(d) Relating to borrowed funds:

   i. Wilful defaulter

   ii. Utilisation of borrowed funds & share premium

   iii. Borrowings obtained on the basis of security of current assets

   iv. Discrepancy in utilisation of borrowings

   v. Current maturity of long term borrowings

Notes to Consolidated Financial Statements (cont..)

as at 31 March 2023

44 SUBSEQUENT EVENTS

There are no subsequent events post the balance sheet date.

As per our report of even date attached

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

Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date: 19 May 2023

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

Shailesh Haribhakti
Chairman
DIN-00007347

Suresh Sethi
Managing Director and CEO
DIN-06426040

Jayesh Sule
Whole Time Director
DIN-07432517

Sudeep Bhatia
Chief Financial Officer

Place : Mumbai
Date: 19 May 2023

Maulesh Kantharia
Company Secretary

FORM AOC-1

ANNEXURE

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

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)					
1. Sl. No/CIN	:	U67200MH2020PLC349258	ACN : 646479012	U72900MH2021PLC368593	1217834-M
2. Name of the subsidiary	:	NSDL e-Governance Account Aggregator Limited	Protean eGov Technologies Australia Pty Ltd	Protean Infosec services Ltd	NSDL e-Governance (Malaysia) Sdn. Bhd.
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	31 March 2023*	31 March 2023**	31 March 2023***	31 March 2023
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	:	INR	INR	INR	As on 1st April 2020 : MYR @ INR 100 to MYR 17.58; as on 31st March 2022 : MYR @ INR 100 to MYR 18.05; as on 31st March 2023 : MYR @ INR 100 to MYR 18.62 and Average Rate : MYR @ INR 100 to MYR 18.12
5. Share capital	:	₹ 3,00,00,000	AUD 1000/ Rs. 55,385	₹ 8,00,00,000	MYR 1,000/₹ 17,654
6. Reserves & surplus	:	₹ 5,80,100	₹ (36,25,242)	₹ (1,24,68,160)	MYR 13,151 / ₹ 2,45,892
7. Total assets	:	₹ 3,43,57,120	NIL	₹ 7,46,25,680	MYR 15,151 / ₹ 2,82,170
8. Total Liabilities	:	₹ 37,77,020	35,69,857	₹ 70,93,840	MYR 1000 / ₹ 18,624
9. Investments	:	NIL	NIL	NIL	NIL
10. Turnover	:	NIL	NIL	NIL	NIL
11. Profit before taxation	:	₹ 6,13,050	₹ (10,94,331)	₹ (1,22,84,720)	MYR 2,32,350 / ₹ 42,09,020
12. Provision for taxation	:	₹ 1,18,450	NIL	NIL	NIL
13. Profit after taxation	:	₹ 4,94,600	₹ (10,94,331)	₹ (1,22,84,720)	MYR 2,32,350 / ₹ 42,09,020
14. Proposed Dividend	:	NIL	NIL	NIL	NIL
15. % of shareholding	:	100%	100%	100%	51%

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

** Company incorporated on 2nd November, 2020.*

*** NSDL e-Governance Australia Pty Ltd as the said subsidiary company incorporated on December 9, 2020.*

**** Protean infosec services Ltd as the said subsidiary incorporated on September 30, 2021.*

Names of subsidiaries which are yet to commence operations: NSDL e-Governance (Malaysia) Sdn. Bhd., NSDL e-Governance Account Aggregator Limited and NSDL e-Governance Australia Pty Ltd.

Part "B": Associates and Joint Ventures

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

Name of Associates/Joint Ventures	
1. Latest audited Balance Sheet Date	N.A.
2. Shares of Associate/Joint Ventures held by the company on the year end	
Number	N.A.
Amount of Investment in Subsidiary/Associates/Joint Venture	N.A.
Extend of Holding %	N.A.
3. Description of how there is significant influence	N.A.
4. Reason why the associate/joint venture is not consolidated	N.A.
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	N.A.
6. Profit / Loss for the year	
i. Considered in Consolidation	N.A.
ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations: N.A.

2. Names of associates or joint ventures which have been liquidated or sold during the year: N.A.

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

For and on behalf of the Board of Directors of
Protean eGov Technologies Limited
(formerly known as NSDL e-Governance Infrastructure Limited)
(CIN: U72900MH1995PLC095642)

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Suresh Sethi
Managing Director and CEO
DIN-00059632

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : Mumbai
Date : 19 May 2023

Sd/-
Sudeep Bhatia
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

protean
Change *is* growth

PROTEAN EGOV TECHNOLOGIES LIMITED

Registered Office

Times Tower, 1st Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Website: www.proteantech.in | E-mail: cs@proteantech.in
CIN: U72900MH1995PLC095642