NSDL
Technology, Trust & Reach

NSDL e-GOVERNANCE
INFRASTRUCTURE LIMITED

Power New Possibilities

26th
Annual Report
2020-21


CERTIFICATE
OF ACHIEVEMENT AND HONOUR
Best Company of the Year
INDIA'S
2021
Consumer's & Industry Validated
NSDL E-GOVERNANCE INFRASTRUCTURE LTD.
In India's Best IT Enabled e-Governance Services Company Category
Has Been Awarded
INDIA'S BEST COMPANY OF THE YEAR AWARD 2021
HEMANT KAUSHIK
(CEO & CHAIRMAN)
Awarded by:
BERKSHIRE MEDIA LLC, USA


WORLDWIDE ACHIEVERS
Certificate
WORLDWIDE ACHIEVERS
BUSINESS
LEADERS
AWARDS2021
WORLDWIDE ACHIEVERS
(27th August 2021, Goa)
NSDL E-GOVERNANCE INFRASTRUCTURE LTD
Awarded For
"BEST IT COMPANY IN WESTERN INDIA"
The Business Leaders Awards recognizes the contributions of individuals, groups, and organizations that have worked valiantly over the past years
P. K. Choudhary
(President)

VISION – "TO BE A GLOBALLY TRUSTED PROVIDER OF SOCIALLY IMPACTFUL TECHNOLOGY SOLUTIONS THAT PROMOTE EASE OF LIVING"

MISSION – "WE DELIVER SCALABLE DIGITAL PLATFORMS THAT ARE RELIABLE, PRIVATE AND SECURE."

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2021

ANNUAL REPORT

PROVIDING E-GOVERNANCE
SOLUTIONS SINCE 1996

MESSAGE FROM THE MD & CEO

SURESH SETHI
MANAGING DIRECTOR & CEO

Dear Shareholders,

It gives me immense pleasure to interact with you for the first time as the Managing Director & CEO of NSDL e-Governance Infrastructure Limited. This last year has provided me insights into the company's business lines, associated revenue models, strengths and USPs. NSDL e-Gov has inherent qualities such as integrity, gender equality, customer centricity and innovation ingrained into its DNA.

As a pioneer and market leader in providing citizen centric services at population scale, we are uniquely poised to ride the wave of digitization and further expand our product and market footprint to create a larger impact as an eco-system enabler.

The pandemic outbreak has played a significant role in disrupting business models and the world has witnessed a rapid transformation on various fronts related to adoption of digitisation and consumer behaviour. This has in turn triggered a chain reaction across businesses, big & small, to mature their usage of digital technology and facilitated survival by carving a path to new and evolved digital centric sustainable models. It is evident that the past 18 months have accelerated adoption of digital technology regardless of size, sector and segment of business. Likewise, consumers have demonstrated an amazing agility in adapting to digital mediums.

We are also seeing a significant ramp up in the adoption of digital technology as an interface for provision of citizen centric services. Digilocker, Umang, mParivahan, mAadhaar, Aarogya Setu and Co-Win are significant examples wherein the Government is leveraging smartphones and mobile Internet to provide easy access to the citizens.

Equally monumental is the Government's role in creating a public digital infrastructure, built on open source platforms and open standards. This has led to creation of interoperable & inclusive eco systems for connecting and delivering a host of services across sectors. These services comprise a wide spectrum, ranging from Financial Inclusion, to universal healthcare, education, skilling and commerce. Prime examples include India Stack built on the foundation of Aadhaar; UPI – one of the fastest growing payment systems in the world, bringing together the best of banking and big tech; Open Credit Enablement Network (OCEN) – democratising credit; the National Health Stack framework, laying the rails for provision of universal healthcare through digitisation.

Being a technology service provider, this provides us with immense opportunities to expand and position ourselves as a thought leader and visionary implementer of innovative technologies across government and private sectors.

In line with the rapid adoption of digitization and evolution of new business models, we have identified new service delivery paradigms that leverage shared technology infrastructure, open source software and interoperable data systems to bolster user-centricity, while ensuring adequate digital security. This proposed service delivery model has the potential to rapidly unlock large-scale economic, societal and governance value in diverse contexts and sectors such as agriculture, education, health, skill, e-commerce, mobility, etc.

We recognise that we are evolving towards collaborative ecosystems and NSDL e-Gov is striving to be one of the main contributors in creating and building such 'National Open Digital Ecosystems' (NODE). The full potential of technology and community will be realised by using open APIs, open standards, open data and modular architecture, thus facilitating inter-operability and unlocking shared value.

Open source technologies such as Sunbird, Beckn, OCEN, etc. are areas where we have already invested and would continue to focus on, to build products and services that would be leveraged for digital public good.

Over the next few years, the organisation plans to position itself as an ecosystem creator and enabler in the technology infrastructure space and develop products in the Platform as a Service (PaaS) category, while using existing product lines to build cross-functional products that can provide more value to customers. The organisation also plans to leverage its capabilities and focus on international opportunities – both government and private.

Social capitalism has been at the core of our business model right from the outset. We have initiated a Comprehensive Impact Assessment to embed an objective & measurable impact-weighted framework in all our business decisions. Aligned with our expanded product, service and market footprint we have recast our vision extending the value proposition beyond e-Governance to incorporate broader impact on society and digital intervention to achieve sustainable development goals and to promote 'ease of living'.

I am confident that NSDL e-Gov will continue to attain sustainable growth as we pursue new opportunities in India and abroad, by unlocking greater value for its employees, customers, shareholders and society at large through innovation.

With best wishes,

Suresh Sethi
Managing Director & CEO

BOARD OF DIRECTORS

BOARD OF DIRECTORS

Mr. Shailesh Haribhakti	*Chairman, Independent Director*
Ms. D.N. Raval	*Independent Director*
Justice (Retd.) Ms. Nishita Mhatre	*Independent Director*
Mr. A. P. Hota	*Independent Director*
Mr. J. Ravichandran	*Director (upto April 1, 2021)*
Mr. Mukesh Agarwal	*Additional Director (w.e.f. May 7, 2021)*
Mr. Karan Bhagat	*Director*
Mr. Gagan Rai	*Managing Director & CEO (upto February 17, 2021)*
Mr. Suresh Sethi	*Managing Director & CEO (w.e.f. February 18, 2021)*
Mr. Jayesh Sule	*Whole Time Director & COO*

COMMITTEES UNDER THE COMPANIES ACT, 2013

Audit Committee

Mr. Shailesh Haribhakti, Chairman

Justice (Retd.) Ms. Nishita Mhatre

Mr. Karan Bhagat

Mr. Abhaya Hota (w.e.f. June 22, 2020)

Corporate Social Responsibility Committee

Ms. D.N. Raval, Chairperson

Mr. J. Ravichandran (upto June 22, 2020)

Mr. Gagan Rai (Upto February 17, 2021)

Mr. Suresh Sethi (w.e.f. March 22, 2021)

Justice (Retd.) Ms. Nishita Mhatre (w.e.f. June 22, 2020)

Nomination & Remuneration Committee

Ms. D.N. Raval, Chairperson

Mr. Shailesh Haribhakti

Mr. Karan Bhagat

Risk Management Committee

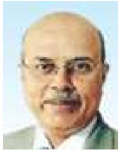
Mr. Shailesh Haribhakti, Chairman

Mr. J. Ravichandran (upto June 22, 2020)

Mr. Abhaya Hota (w.e.f. June 22, 2020)

Mr. Karan Bhagat

Mr. Jayesh Sule



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

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

Mr. Mukesh Agarwal
Additional Director (appointed
w.e.f 07.05.2021)
*(Managing Director, NSE Indices
Limited and NSE Data & Analytics
Limited)*
(DIN: 03054853)

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

Nishita Nirmal Mhatre
Independent Director,
*(Retired Acting Chief Justice
of Calcutta High Court)*
(DIN: 08489369)

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

Mr. Suresh Sethi
Managing Director & CEO
NSDL e-Governance Infrastructure Limited
(appointed w.e.f 18.02.2021)
(DIN: 06426040)

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

MANAGEMENT TEAM

Mr. Suresh Sethi	*Managing Director & CEO (w.e.f. February 18, 2021)*
Mr. Gagan Rai	*Managing Director & CEO (upto February 17, 2021)*
Mr. Jayesh Sule	*Whole Time Director & COO*
Mr. Amit Sinha	*Executive Vice President*
Mr. Tejas Desai	*Executive Vice President & Chief Financial Officer*
Mr. Milind Mungale	*Executive Vice President & Chief Information Security Officer*
Mr. Dharmesh Parekh	*Executive Vice President & Chief Technology Officer*
Mr. Gopa Kumar T.N.	*Executive Vice President*
Mr. Hiten Mehta	*Senior Vice President*
Mr. Dattaram Mhadgut	*Senior Vice President*
Mr. Kapil Kapoor	*Vice President & Chief Risk Officer*
Ms. Ashwini Naigaonkar	*Vice President*
Mr. Vivek Acharya	*Vice President*
Mr. Devendra Rane	*Vice President*
Mr. Nitin Joshi	*Vice President*
Mr. Ankush Deshpande	*Vice President*

COMPANY SECRETARY

Mr. Maulesh Kantharia

Statutory Auditors	Secretarial Auditors	Internal Auditors
M/s B S R & Associates LLP, Chartered Accountants, Mumbai	*M/s S. N. Ananthasubramanian & Co, Company Secretaries, Thane*	*M/s Deloitte Touche Tohmatsu India LLP, Chartered Accountants, Mumbai*

BANKERS

IDBI Bank

HDFC Bank

Axis Bank

Corporation Bank

Central Bank of India

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited (w.e.f. June 19, 2021)

REGISTERED OFFICE

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

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

CIN: U72900MH1995PLC095642

"GREAT THINGS IN BUSINESS ARE NEVER DONE BY ONE PERSON. THEY'RE DONE BY A TEAM OF PEOPLE."

The company is engaged in providing IT enabled e-Governance Services, inter-alia comprising PAN Card issuance, TAN issuance and Tax Information Network (TIN) for Income Tax Department and, Central Recordkeeping Agency (CRA) for National Pension System, providing AADHAAR authentication services as Authentication Service Agency (ASA) & e-KYC services as KYC Service Agency (KSA), e-Sign Service Provider(ESP) licensed by Controller of Certifying Authorities, Vidya Lakshmi Portal for education loans, Vidyasaarathi Scholarship Portal, Workflow Management System for Central Board of Film Certification (CBFC), Revenue Management System for Dept of Telecomunications, GST Suvidha Provider & Application Service Provider (ASP) and Data Centre Services.

BOARD’S REPORT

Dear Members

Your Directors are pleased to present the Twenty-Sixth (26th) Annual Report and the Audited Financial Statements of the Company for the financial year ended March 31, 2021.

1. FINANCIAL SUMMARY

1.1 Performance at a glance

(Rs. in million except per share data)

Particulars	FY 2020-21	FY 2019-20
Income	6,522	7,546
Expenditure	5,190	5,698
Depreciation and amortisation expense	173	275
Profit before Tax	1,159	1,573
Profit after Tax	925	1,212
Net worth	6,683	7,538
Earnings Per Share Basic (Rs.) Diluted (Rs.)	 23.08 23.06	 30.31 30.24
Dividend paid / proposed (%) (Face Value – Rs. 10 per equity share)	90%	100%

During FY'21, Revenue from operations stood at Rs. 6031 million as compared to Rs. 7161 million in the previous year. The Profit after Tax (PAT) during the year was Rs. 925 million as compared to Rs. 1,212 million in previous year. The Company has made provision for Tax of Rs. 299 (Current Year Tax) million. No amount is proposed to be transferred to reserves.

1.2 Dividend

The Board of Directors have recommended a dividend of 90% i.e. Rs.9 per equity share (on the face value of Rs. 10 each) for FY'21 for consideration of the shareholders. The dividend distribution would result in a cash outflow of Rs. 361 million (approx.) (Payout ratio of 39% approx.).

In addition, during the year, the Board of Directors, at their meeting held on March 23, 2021, recommended and paid a Special Dividend of 350% i.e. Rs.35 per equity share (on the face value of Rs. 10 each).

2 MANAGEMENT DISCUSSION AND ANALYSIS

2.1 Business overview

Our Company is engaged in providing IT-enabled e-Governance Services, inter-alia comprising Tax Information Network (TIN), PAN card, Central Recordkeeping Agency (CRA) for National Pension System, Unique Identification Authority of India (UIDAI) for providing Aadhaar authentication and e-KYC services, e-Sign Service Provider (ESP) licensed by Controller of Certifying Authorities, Vidya Lakshmi Portal for education loan applicants, Vidyasaarathi Scholarship Portal, Workflow Management System for Central Board of Film Certification (CBFC),Revenue Management System for Dept. of Telecommunications, GST Suvidha Provider & Application Service Provider for GST and Data Centre Services. There has been no change in the nature of business during the financial year under review.

2.2 ECONOMIC ENVIRONMENT

Global economy

The global economy has been severely affected by Covid-19 in FY2020-21, which continued to affect global economies in FY2021-22. Although the World Economic Outlook Update issued by the International Monetary Fund (IMF) in January 2021 had reported about recent vaccine approvals raising hopes of the pandemic abating later this year, new waves and new variants of the virus pose concerns. Amid exceptional uncertainty, the global economy is projected to grow 5.5% in CY 2021 and 4.2% in 2022. The IMF, in its April 2021 World Economic Outlook (WEO), has expressed concerns over global prospects remaining highly uncertain for one year on account of the ongoing pandemic. The extent of economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support. This is because any economic recovery depends not only on the outcome of the battle between the virus and vaccines,but also hinges on how effectively economic policies limit lasting damage from this unprecedented crisis.

The projections in WEO for 2021 and 2022 are stronger vis-à-vis the October 2020 WEO. The upward revision reflects additional fiscal support in a few large economies, anticipated vaccine-powered recovery in the second half of 2021, and increased economic activity.

Domestic economy

World Bank report on India's economic prospects

The World Bank, in its latest issue of Global Economic Prospects dated June 2021, has slashed the Indian GDP growth forecast for FY2021-22 to 8.3 per cent from its earlier estimate of 10.1 per cent in April 2021. This is because the recovery of Indian economy has been hampered by the devastating second wave of coronavirus infections. The World Bank has further projected a 7.5 per cent economic growth in FY2022-23. The lower growth estimate is possibly on account of lasting impact of Covid-19 on households, corporate and bank balance sheets, low levels of consumer confidence, and heightened uncertainty on job and income prospects. Further, it is estimated that India's GDP is likely to grow by 6.5 per cent in FY2023-24. According to the World Bank, the Indian Union Budget of FY 2021-22 marked a significant policy shift towards higher expenditure in healthcare and infrastructure to boost the post-pandemic recovery. It further stated that a fresh outbreak of the virus, could require further targeted policy support to address health and economic costs.

INDIAN ECONOMIC DEVELOPMENT & GROWTH REPORT

India has withstood the pandemic supported by strong policy initiatives by the government, along with an optimistic outlook for economic recovery. India has administered more than 70 crores of Covid-19 vaccine doses. Nearly 40% of the total population in India have received at least one dose of vaccine and nearly 12% of the Indian population has received both doses.

Since March 2020, the government's efforts such as early lockdown imposition, health-infra ramp-up, incremental unlocking, blanket testing, social distancing, have helped restrict the fatality rate in India to 1.2% — one of the lowest in the world. These measures apart, the government's initiatives towards tailoring fiscal stimulus to reduce supply-side disruptions and revive demand, and initiating structural reforms have supported the economy. The Reserve Bank of India (RBI) too took measures to support liquidity provision to micro, small and medium firms, and loosened regulatory requirements on the provisioning for non-performing loans.

Thanks to such efforts, as per World Bank estimates, India's GDP growth is expected to rebound to 8.3% in the current fiscal year due to a very weak base, flattening of the Covid curve, rollout of vaccinations, investment-focused government spending, and benefit from the 'rising global tide lifts all boats' effect. The GDP growth of all major economies is expected to rebound in 2021 as economic activities resume and also due to the low base of 2020. Among major economies, India, with a projected growth rate of ~8.3% (Fiscal year 2022), is expected to be the fastest-growing in 2021, followed by China with 8.1%.

The World Bank, in its report, 'Global Economic Prospects, January 2019', estimates the number of poor (defined as those living at or below the international poverty line of purchasing power parity of $1.90 per day) in India declined sharply, from 405 million people in 1981 to 175 million in 2015. In % terms, the share of poor in India's total population decreased from 57.4% to ~13.4% over the period, and was estimated at 8.4% in 2018. In 2020, the World Bank projected the absolute number of poor in India reduced to ~77 million people, thus lowering the % share to ~5.5%.

As of April 28, 2021, the number of bank accounts opened under the government's flagship financial inclusion drive, Pradhan Mantri Jan Dhan Yojana, reached 423.06 million, and deposits in Jan Dhan bank accounts was over Rs. 1432.9 billion. Rural/semi-urban bank branches contribute ~66% in terms of total number of accounts. Rising income is expected to enhance the need for banking services in rural areas, and, therefore, drive further growth of the sector. The digital payments revolution will continue to influence the way credit is disbursed in India too. Post-demonetisation, debit cards have radically replaced credit cards as the preferred payment mode in India. In April 2021, Unified Payments Interface (UPI) recorded 2,641.06 million transactions totaling Rs 4.93 trillion, representing year-on-year growth of 164% and 227%, respectively.

Outlook

The Company's business was impacted due to the Covid-19 pandemic, which began in March 2020 and continued through the financial year under review. Towards the beginning of 2021, vaccination programmes initiated by the Government helped the economy to rebound to normalcy.

During the year under review, the Company too undertook various measures to restore normalcy in its functioning. As per the findings of a limited customer survey conducted for the purpose of a 'gap analysis', it was ascertained that the Company scored high in terms of service quality, user experience and technical capabilities, and needed to improve upon in the areas of innovation and agility. The Company is considering building a developmental centre for the purpose of expanding and penetrating into new business platforms and developing solutions for the same.

2.3 IT & ITeS INDUSTRY

The Indian Information Technology/Information Technology enables Services (IT/ITeS) industry has contributed immensely in positioning the country as a preferred investment destination. IT-enabled Services (ITeS) has been the key driver of growth for the Indian IT industry. As per CRISIL, the Indian IT industry is expected to register a 'strong recovery' in 2021-22 with a revenue growth of up to 11%. The recovery will be led by increasing outsourcing and accelerating digital transformation services mainly in sectors such as banking, financial services and insurance (BFSI), healthcare, retail and manufacturing. According to NASSCOM, the IT services industry grew 2.7% to $99 billion in FY2020-21. The wider industry including e-commerce, business process management and global back offices had grown 2.3% to $194 billion in the last fiscal year.

Internet and broadband penetration in India has grown at a rapid pace. The number of internet subscribers was 795.2 million at the end of December 2020, with a growth rate of 2.41% during September-December 2020. Within the space, wired internet subscribers in India were only 25.5 million users, with the remaining 769.64 million subscribers were wireless internet users. Further, of the total internet subscriber base, broadband subscribers totaled 747.4 million (with quarterly growth of 2.9%) and narrowband users, 47.8 million (with quarterly growth of -4.7%) in India at end-December 2020. Also, at end-December 2020, of the total internet subscribers, 96.7% were in the mobile wireless category, 3.21% in wired category, and 0.08% in fixed wireless category. This directly correlates to smartphones driving digital connectivity.

In all of this, e-Governance assumes greater importance in the context of management of today's complex structures to achieve rapid economic growth and improved quality of life. The technology and the methods used in e-Governance project provide a roadmap for efficient delivery of services at the door step. Through e-governance, government services are made available to citizens in a convenient, efficient and transparent manner. The three main target groups that can be distinguished in governance concepts are government, citizens and businesses/interest groups. Today, the development of any country depends on the uses of e-Governance and also their penetration. Development of any country can be judged by the scope of e-Governance in that country.

2.4 POLICY INITIATIVES BY THE GOVERNMENT DURING THE YEAR

The Union Budget for FY2021-22 presented by the Government of India focuses on the following aspects:

i. Job creation through private and public investment by way of an infrastructure boost; set-up of textile parks, fishing hubs and a financial services hub; an increase in the FDI limit in the insurance sector; allowing one person companies to help start-ups; and allowing women in all categories of jobs and shifts

ii. Major boost to health and wellbeing with a 137% increase in Budget allocation for the sectors, launch of PM Aatmanirbhar Swasth Bharat Yojana and Mission Poshan 2.0, allocation of Rs. 350 billion for Covid-19 vaccines, and expansion of the health information portal to connect all public health labs across all states and union territories.

iii. Support to MSMEs by doubling allocation for the Ministry of Micro, Small and Medium Enterprises to Rs. 157 billion.

iv. Improving access to credit through setting up of a new asset reconstruction company and asset management company to take over stressed assets of banks, setting up of a Development Finance Institution to finance infrastructure projects and equity infusion of Rs. 200 billion for public sector banks.

v. Improving ease of doing business by setting up of a conciliatory mechanism for quick resolution of contractual disputes, strengthening of the NCLT system, adoption of e-courts, setting up of an alternative mechanism of debt resolution, decriminalising of the Limited Liability Partnership (LLP) Act, setting up of a faceless dispute resolution mechanism for small taxpayers and increase in the threshold for tax audit from Rs. 50 million to Rs. 100 million.

2.5 OPPORTUNITIES AND CHALLENGES

The world has changed drastically since the outbreak of Covid-19 pandemic in FY2019-20 and it has wreaked havoc through FY2020-21 as well worldwide. It has changed the pattern of business over the past one year. Vaccination drives, which have been started by the Government of India, will take still some time to cover every citizen in the country and for life to return to normalcy.

Businesses have accepted various new normal techniques of functioning such as operating in a more virtual and geographically-fragmented manner. More working from home (WFH) has also emerged, resulting in less automotive traffic, less energy consumed, more bits and bytes transmitted, a greater need for home offices, less need for commercial office space and less demand for affiliated servces.This transition has impacted companies in financial services, professional services, as well as the corporate headquartersof almost any type of business. Business professionals have become accustomed to virtual meetings. Covid has challenged business leaders to stabilise their business fundamentals amid an extraordinary crisis, while simultaneously preparing for a suddenly uncertain future. The decisions they take now will influence the positioning and performance of their businesses over the coming years.

The restrictions on movement and social distancing to slow the spread of the disease have affected labour supply, transport and travel. Under these circumstances, forecasting requires strong assumptions about the spread of the disease and a greater reliance on estimated rather than reported data. More than 15 billion people around the world have been in some form of lockdown due to the pandemic. The biggest challenge businesses will face will be restarting their operations. This may lead to back-end challenges relating to technical processes and human resource issues. These issues include lack of systems integration within a department, lack of integration across government departments, and deployment of technology without proper process re-engineering.

Business Impact

On account of the pandemic, the Company's various businesses saw some decline towards the end of FY2019-20. FY2020-21 was worse as the pandemic wreaked havoc. This has resulted in the Company's business still in recovery mode.

While online operations continued with very little impact, activities involving physical paper-based functions were badly affected. The main impact was on physical PAN applications and NPS account opening at various service centres. Online activities such as NPS settlement, e-Sign, e-KYC, online PAN applications continued to function normally. The impact on businesses continues even now and may last a substantial part of the current financial year.

Business may face potential payment delays from financially-stressed customers and service providers; challenges for the business remain largely external. Any changes in government policies may affect or impact our business and prospects.

During the year under review, new competitors have entered the market, which has considerably affected the Company's businesses. But the Company is well-equipped to compete with its competitors and to consolidatemarket leadership even during the ongoing pandemic situation. There are huge opportunities coming up in other geographies for e-Governance services. Our Company is making immense efforts in that direction and expects results over the short- and medium-term.

The Company endeavours to ramp up business growth within a span of three years through diversification into new products, new target segments, businesses, sectors and geographies. This is in alignment with the Company's vision "to be a globally trusted provider of impactful digital technology solutions that promote ease of living".

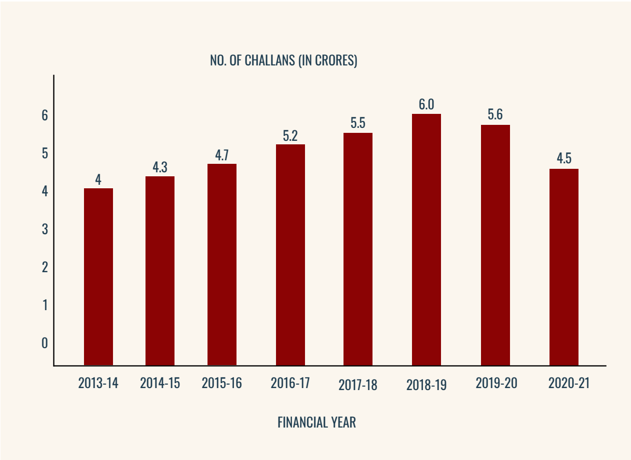
3. PROGRESS AT NSDL e-GOVERNANCE

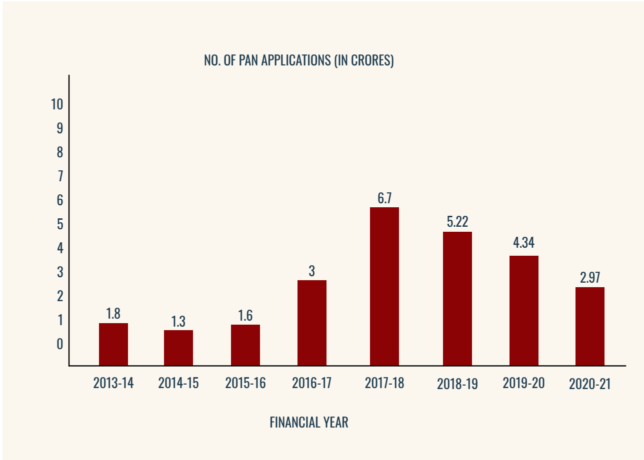
3.1 TAX INFORMATION NETWORK (TIN)

Your Company has established and manages nationwide Tax Information Network ("TIN") on behalf of Income Tax Department (ITD). The principal component of TIN is the automation of system for administering Tax Deducted at Source ("TDS") which today forms a significant part of direct tax collection. TIN 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 Statement being filed by Government offices. These Government offices are identified by an Account Office Identification Number ("AIN") which is mandatorily required for furnishing Form 24G Statement. NSDL e-Gov processes applications for issuance of AIN to Government Offices. NSDL e-Gov also provides a facility on TIN portal, to furnish TDS statement cum challans (Form 26QB) for payment of TDS on the 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.

NSDL e-Gov has established connectivity with 19 tax collecting banks to upload tax collection data from more than 19,783 branches.

During the year, more than 4.5 Crore challans were uploaded by banks. As on March 31, 2021, 5,935 TIN Facilitation Centres (FCs) were operational across around 1,621 locations providing e-TDS Returns acceptance services to taxpayers. During the year, around 2.97 crore PAN applications were processed by NSDL e-Gov while, the cumulative number has exceeded 35.8 crores. 32,978 Centers (27,043 PAN Centers and 5,935 TIN-FCs) were operational across 4,623 towns/cities providing PAN application acceptance services.





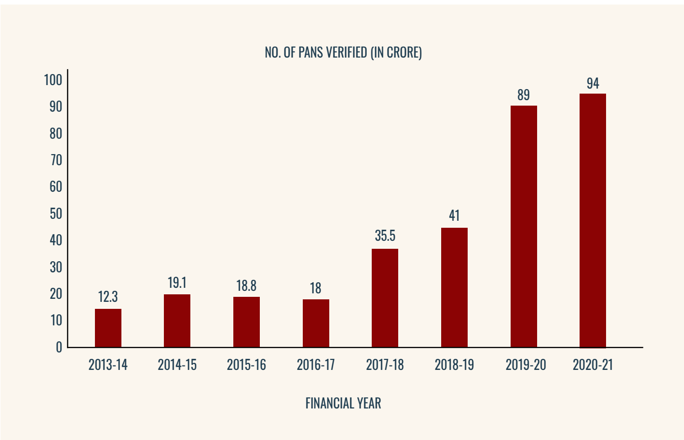
3.2 ONLINE PAN VERIIFICATION (OPV) FACALITY

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

The users have three options for accessing this service viz;

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

During the year, 94 crore PANs were verified by users of this service. As on March 31, 2021, 1,970 users were availing the OPV facility and around 343 crore PANs have been verified so far cumulatively.



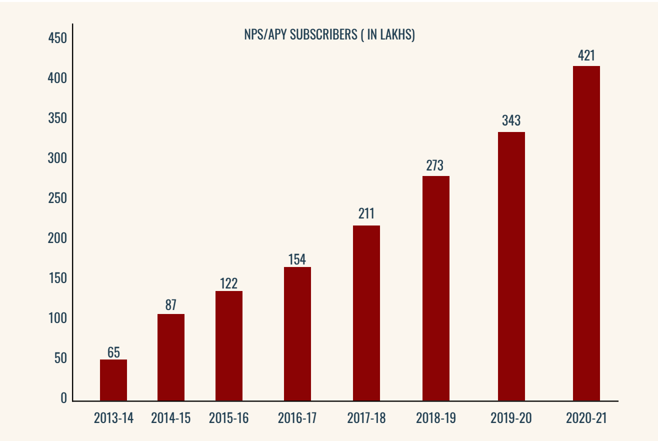
3.3 CENTRAL RECORDKEEPING AGENCY FOR NATIONAL PENSION SYSTEM

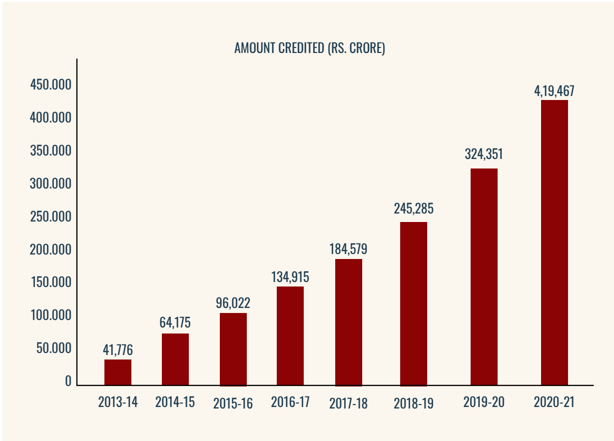
Our Company has been acting as the Central Recordkeeping Agency ("CRA") for National Pension System ("NPS") for over ten years now. Along with Central Government, CRA services are also being provided to various other sectors namely, Central Autonomous Bodies ("CABs"), State Governments/Union Territories,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

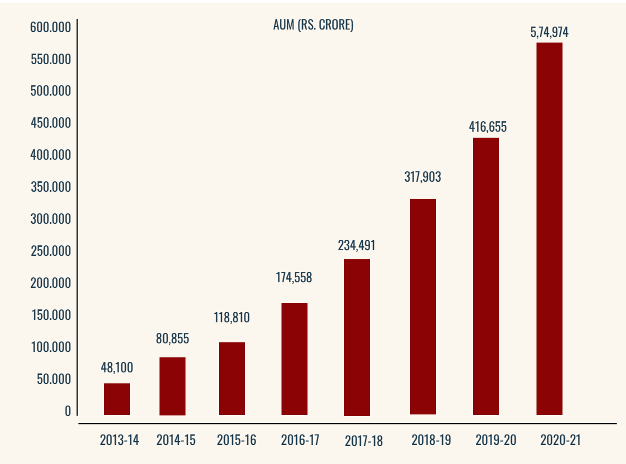
Sector-wise status of NPS as on March 31, 2021 is given below:

Sr. No.	Sector	Number of Subscribers (lakhs)	Pension Contribution credited (Rs. Crore)
1.	Central Government (including CABs)	21.76	1,23,115.38
2.	State Government (including SABs)	51.41	2,14,710.48
3.	All Citizens of India Sector	13.52	21,257.92
4.	Corporate Sector	10.59	43,760.44
5.	NPS Lite	43.02	2,858.41
6.	Atal Pension Yojana (APY)	280.49	13,764.17
	Total	**420.79**	**4,19,466.81**

Total Assets Under Management (AUM) under NPS has increased from Rs. 4,16,655 Crore, as of March 31, 2020 to Rs. 5,74,974 Crore as of March 31, 2021, a growth of 38%.







a) **NPS Government Sector:** The Govt. 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 NSDL e-Gov for availing its services as CRA. During the last year, more than 5,600 Nodal Offices were registered for Government Sector. In all, more than 26,000 Nodal Offices of Central Government (including the offices of 630 CABs) and 2.43 lakh Nodal Offices of State Governments (including the offices of 1,459 SABs) are registered with NSDL e-Gov.

In the FY2020-21, NPS Tier II-Tax Saver Scheme (TTS) 2020 has been introduced specifically for Central Government Subscribers (excluding CABs) wherein the transactions have a lock-in of three years and qualifies for tax benefit u/s 80C. The feature has been made available on August 15, 2020 and as on March 31, 2021, total 1,011 TTS accounts have been opened/activated with contribution amount of Rs. 2.11 crores.

b) **NPS Private Sector:** NPS Private Sector consists of All Citizens of India sector (also referred to as Unorganized Sector, i.e. UOS) and Corporate Sector. As of March 31, 2021, 83 entities were acting as Points of Presence (POPs) servicing subscribers under these sectors through more than 85,100 touch points across the country. So far, more than 7,500 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 3.30 lakh subscribers have availed the facility of Tier II account as on March 31, 2021.

c) **eNPS:** NSDL e-Gov in its continuous endeavour to simplify procedures and modalities of NPS, developed an online platform (based on PFRDA guidelines) for registration and contribution. During the year FY 2020-21, a subscriber was given two options for registration through eNPS- (i) PAN and KYC verification (ii) Aadhaar Offline KYC i.e. using XML file upload. This process ensures that PRAN is available to the subscriber instantly. Using the former option (i.e. PAN and KYC verification), a Subscriber can register online through his/her associated Bank (with PAN as mandated KYC supporting document). KYC details of the subscribers are verified and authorized by their Bankers. A Subscriber can also register through non-banking entities. In this case, similar to bank KYC verification, KYC will be done by the non-banking entity based on the existing relationship of the Subscriber with the entity. It has also provided the subscribers with convenience of contributing online anytime anywhere. So far, 29 Bankers and 34 Non-Bank entities have joined in eNPS for KYC verification process. Alternatively Subscriber can register using Aadhaar Offline e-KYC authentication i.e. the XML (zip) i.e downloaded through UIDAI website (which can be generated by accessing the UIDAI portal) and can be uploaded for KYC verification.

As advised by NPS Trust, SBIePay services as a Payment Gateway Service Provider (PGSP) has been discontinued with effect from October 21, 2020. Currently the two PGSPs available are Bill Desk and AXIS Bank for UPI. BillDesk acts as Payment Gateway Service Providers for eNPS contributions and 38 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. During this financial year, around 3.84 lakh PRANs were generated under UOS, of which more than 45% PRANs were generated through eNPS. Further, Rs. 5,154 Crore was contributed through eNPS (by both, existing as well as new Subscribers) during this financial year.

e-Sign facility has been integrated with eNPS platform to enable a subscriber to sign his/her PRAN application electronically. This process has eliminated the requirement of submission of physical documents to CRA. Till this financial year end, more than 3.90 lakh subscribers availed this facility. The facility to activate Tier II account by existing Subscribers has also been made available under eNPS. Out of 3.30 Lakh Tier II accounts, nearly 2.30 lakhs accounts are opened through the eNPS module. In addition to the e-Sign option, OTP based authentication has been introduced for paperless on-boarding of NPS Subscribers, thus enhancing the ease of registration process. During the last FY, out of total PRANs generated through eNPS, around 50% opted for OTP based registration, while around 43% opted for eSign option, resulting in a totally paperless registration process for more than 90% of PRANs.

D-Remit facility: Under NPS, various modes are available for making contributions. However, any contribution through any mode on e-NPS platform is credited into the PRAN account of the subscriber on T+2 working day 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 also provides the Subscriber with an option to make systematic investments in the PRAN account. As on March 31, 2021, more than 1.61 lakh D-Remit transactions were made for which total contribution of Rs. 214 crores were settled across sectors.

d) **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, 2021, 416 APY Service Providers (APY-SPs - PSUs/Private Banks/RRBs/DCCBs/SCBs/UCBs/DOP/SFBs/PAYB) have joined and these APY-SPs have registered around 1.69 Lakh branches under APY as service branches. More than 3.02 Crore subscribers have been registered under APY till March 31, 2021.

e) **Online PRAN generation by Nodal Offices:** To facilitate the process of PRAN generation and timely upload of NPS contributions, NSDL e-Gov has developed and made available the functionality of Online PRAN Generation Module (OPGM) to Nodal Offices. So far, 35 POPs have adopted OPGM and have garnered more than 1.77 lakhs PRANs during this financial year. These accounts for more than 82% of the total PRANs generated under Private Sector (excluding PRANs generated through eNPS).

OPGM has also been adopted by 28 State Governments (26 State Governments and 2 UnionTerritories) and around 500 Central Government Nodal Offices. During this financial year, more than 3.04 Lakhs PRANs have been generated in Government Sector using OPGM.

f) **Empowering Subscribers:**

Paperless exit for eNPS: In case of eNPS Subscribers, the facility of online processing of withdrawal request has been made available wherein the Subscriber only needs to raise online withdrawal request, upload the necessary documents online and submit the request using the eSign and OTP verification. The associated bank will verify KYC online and authorize the request. Once the request is authorised, withdrawal will be processed in the CRA System.

ePRAN and welcome Kit: eNPS Subscriber are provided with the option of ePRAN/Welcome kit instead of Physical PRAN card at the time of registration through eNPS platform in order to optimize the cost borne by the Subscribers. It is seen that around 50-55% of the Subscribers opt for ePRAN/welcome kit.

Subscriber details modification – In addition to updating contact details under demographic changes using Offline KYC through Aadhaar (XML download), during financial year 2020-21, two more options have been provided to the Subscribers using Offline KYC through Aadhaar (XML download) – i.e. updation of bank details and nominee details. However in case of nominee/bank details updation, online authorisation of Nodal Office is required.

Mobile App: In order to provide ease of access, NPS Mobile App has been made available for NPS Subscribers. Using this App, subscriber can access various functionalities such as Transaction Statement, Contribution remittance, details of latest contributions, change in contact details, change in address details, change in Scheme preference under NPS after providing PRAN as User ID and IPIN as password. The App is available for download on Google Play Store as "NPS by NSDL e-Gov" for Android users. The App is also available for iOS and Windows users. As on March 31, 2021, more than 47.84 lakh users have downloaded this App.

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.

Further, similar to NPS Regular, NSDL 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 "NSDL-APY Ki Pathshala" for detailed information regarding APY services etc. As on March 31, 2021, more than 18.60 lakh users have downloaded this App.

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FATCA Certification: NPS Trust has been designated as a Reporting Financial Institution under section 285BA of the Income tax Act, 1961 ('the Act') and is required to identify NPS account holders after carrying out the due diligence process as per Rules 114F to 114H of the Income-tax Rules, 1962 ('the Rules'). NPS Trust has initiated the due diligence process under the alternative procedure of FATCA and sought self-certification from the Subscribers (Accounts opened on or after July 1, 2014) regarding his / her status under Rules 114F to 114H.

NSDL e-Gov under the guidance of NPS Trust has initiated efforts to obtain FATCA certification from Subscribers. Initially, Subscribers were requested to submit physical applications. Subsequently, in order to facilitate quick FATCA compliance, facility to submit online FATCA Self-Certification was also provided to subscribers in their CRA login. Also, Nodal Offices were provided an option to update FATCA status for the associated subscribers in the CRA system. As on March 31, 2021, more than 45 lakh subscribers of NPS Regular and 0.54 lakh Subscribers of APY & NPS Lite are FATCA Compliant.

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 during the financial year to facilitate registration of Retirement Advisers. As on March 31, 2021, 55 Retirement Advisers have been registered in the CRA system and 1,277 PRANs have been generated through them.

Capacity Building & Marketing Initiatives: Several initiatives have been taken to reach out to different stakeholders of NPS during FY 2020-21. During current Financial Year, more than 137 training sessions were conducted across all sectors online as well as offline (wherever possible) for the Nodal Offices on various processes involved under NPS, operational requirements and process disciplines to be followed. More than 8,000 attendees benefitted from attending these programs.

Subscriber Awareness Programmes (SAP) are conducted to complement the efforts of PFRDA to make NPS popular amongst the masses and also to increase the awareness about NPS across India about various features of NPS. During this financial year, 271 awareness sessions (including eSAP & webinars) were conducted (most of them were virtual due to pandemic situation). Around 33,000 people attended and benefitted from these awareness programs.

Digital Media Initiatives: To be in step with digital revolution, we have made ourselves significantly present in the digital space. This has enabled us to build a strong association with our stakeholders, increase traction on our website and be the right source of information about the product on social platforms. We are actively present on four most powerful platforms of the digital era – Facebook, YouTube, Quora and Instagram.

a. Facebook

The networking giant-Facebook has paved way for us to reach our existing as well as potential subscribers. On our Facebook page, we have been regularly posting updates on NPS, relevant notifications from PFRDA, and also news pieces about the product. Posting schedules of our 'Subscriber Awareness Programme' ("SAP") has expanded our reach amongst the audience. NSDL CRA's facebook page has over 76,000 followers.

b. Quora

With our presence on Quora, we have been able to address queries related to NPS, in turn creating publicity for the product. This knowledge sharing platform has led to channeling more viewers towards NPS and its benefits. In a short span of time, our account on the forum has reached 12.40 lakh plus views and we have also become the most viewed writer of the topic 'NPS'.

c. YouTube

NSDL CRA's YouTube channel, called 'NSDL- NPS Ki Pathshala', have been utilized in imparting knowledge about NPS and also various operational related aspects. Since our priority has been providing more and more clarity on NPS, we have conceptualized our videos based on queries, grievances and feedback received from Subscribers and Nodal Offices. Our videos have helped our stakeholder's gain understanding about NPS and helped them take a more informed decision regarding NPS. Our YouTube channel has over 1 lakh Subscribers, with over 3.1 million views.

Similarly, to further our reach on information regarding APY, we have also started a YouTube channel called 'NSDL - APY Ki Pathshala'. The videos in APY Ki Pathshala are aimed at increasing awareness amongst APY Subscribers and Service Providers on APY product & features, FAQs etc.

d. Instagram:

Instagram is considered to be one of the best social media platform for engagement with people and also as a brand to connect with followers. It is visual, simple and it is attracting the younger generations more than other social media platforms. Our Instagram page called 'NSDL.CRA' has over 1300 followers. Through the Instagram page, NSDL CRA disseminates various features and information about NPS, as well as recent developments in NPS.

e. Podcasts:

Podcast refers to series of spoken words, audio episodes which are focussed on a particular theme or topic. The benefit of podcast is that it allows the user/listener to multitask, since the podcast (audio information) can be accessible during driving, at work, during exercising, or any other time. The podcasts are currently available on sound cloud and has NPS related topics such as pension plans available in NPS, Online withdrawal processing, why to invest in NPS etc. It is also being proposed to embed the podcast links on NSDL CRA's corporate website.

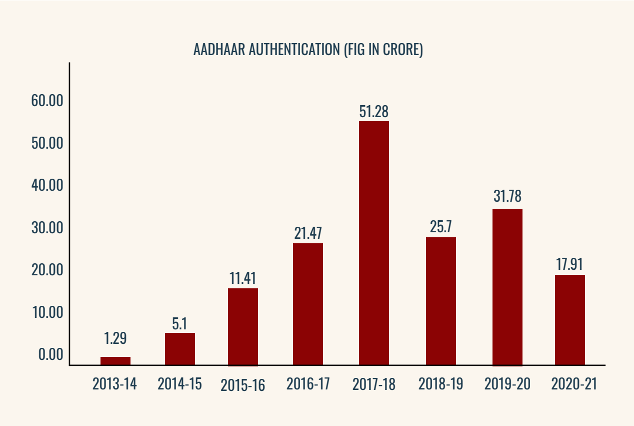
Towards the end of December 2019, the world witnessed Covid-19 pandemic outbreak, which affected the working and operations of companies globally. In India, by mid of March 2020, stringent lockdown measures were announced by the Government. In spite of adhering to lockdown rules, it was ensured that the services provided during Financial Year ending was not hampered. Due care was taken to provide necessary support to our stakeholders and high availability was provided in terms of system uptime and also performance in terms of response time. Hence, all the major services were provided to the stakeholders in an uninterrupted manner despite the lockdown.

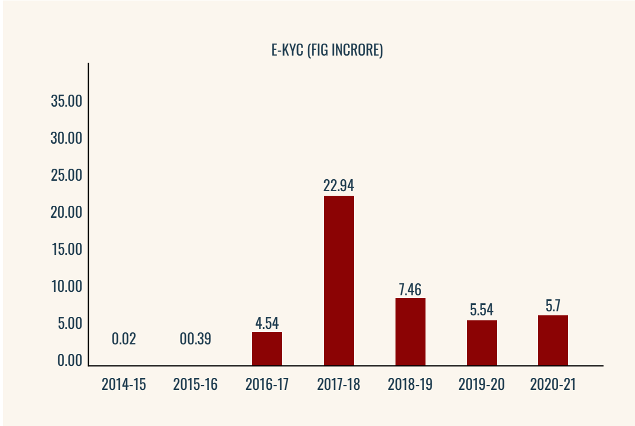
3.4 AUTHENTICATION , e-KYC & e-Sign Services

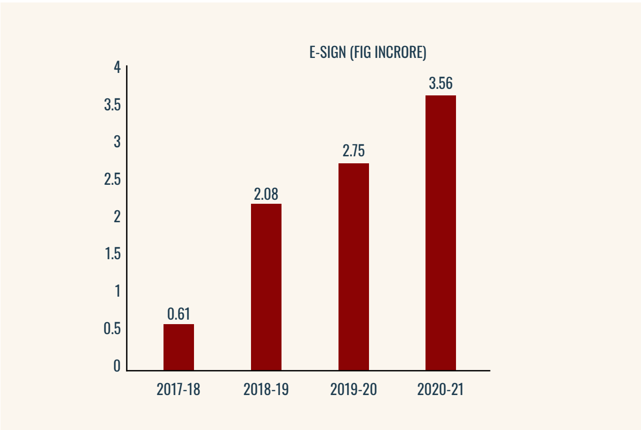
NSDL e-Gov has been authorised by UIDAI as an Authentication Service Agency (ASA) and Authentication User Agency (AUA) for providing Aadhaar Authentication Services to various entities. NSDL e-Gov has also been authorised by UIDAI as KYC Service Agency (KSA) and KYC User agency (KUA) for providing Aadhaar 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 on now, 27 entities including Central/State Governments, Banks/Payment Bank, PSUs, Insurance Companies avail these services from NSDL e-Gov avail these services from NSDL e-Gov.During FY 2020-21, our company has carried out 17.91 crore Aadhaar authentication and 5.70 crore e-KYC transactions. So far, 167.59 Crore authentication and 63.05 crore e KYC transactions have been carried out through NSDL e-Gov.

NSDL e-Gov is also empaneled with Controller of Certifying Authorities (CCA) to operate as a licensed Certifying Authority (CA) and as an e Sign Service Provider for providing e Sign services to various Application Service Providers (ASPs). As on now, 190 entities including Central/State Governments, Banks/Payment Bank, PSUs, Depository Participant, Stock Brokers etc. avail these services from NSDL e-Gov.

During FY 2020-21, our company has carried out 3.56 crore eSign transactions. So far, 9.84 Crore eSign transactions have been carried out through NSDL e-Gov.







3.5 VIDYA LAKSHMI PORTAL FOR EDUCATIONAL LOAN SCHEMES OF BANKS

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

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

Progress so far:-

- Vidya Lakshmi Portal (www.vidyalakshmi.co.in) was launched on August 15, 2015
- Currently 38 banks and 73 loan schemes are registered on Vidya Lakshmi Portal
- As on March 31, 2021, a total of 19,07,878 students have registered on the Vidya Lakshmi Portal, out of which 7,20,040 Students have applied for 9,41,335 loan schemes and 2,72,221 educational loans have been disbursed through the Vidya Lakshmi Portal.
- As on March 31, 2021, 33 banks have submitted a total count of 5,99,267 Legacy applications (loan application data from August 15, 2015 to January 31, 2018) which have been uploaded on the Vidya Lakshmi Portal.

4. OTHER PROJECTS

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

e-Sign is an online electronic (digital) signature service to facilitate Aadhaar holders to digitally sign documents. UIDAI provides facility for Aadhaar authentication using biometric of the Resident or One Time Pin (OTP), sent on the respective mobile no. of the Resident registered with UIDAI. e-Sign aims at transforming the use of digital signatures and promote paperless digital environment using Aadhaar. 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, e NACH mandate, application for PAN, application for Permanent Retirement Account Number (PRAN) for National Pension System (NPS)/ Atal Pension Yojana (APY) etc.

So far, 180 entities comprising Banks, Insurance Companies, NBFC, Depository Participants, Stock Brokers, e-Commerce organizations, Financial Institutions, Corporate Bodies etc. have been registered with NSDL e-Gov as ASPs. Online PAN application, Online NPS modules, e-CinePramaan and GSP of NSDL e-Gov have implemented e-Sign services and are operational as an ASP. As on March 31, 2021, more than 9.32 crore e-Signs were generated. NSDL e-Gov undertakes various marketing initiatives to make this service popular for various usages & users.

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

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

Features of Vidyasaarathi

- Corporates can design their own educational finance schemes.
- Easy management of designed Schemes.
- Online system for submission and processing of Scholarship application forms. Archiving and retrieval of past scholarship records.
- Central trust (TISS) for scholarship disbursal.
- Help Desk support for students, corporates and institutes.
- Career related online test for students.

Progress so far (as on March 31, 2021):-

1. Number of students registered on the VSP:- 10,00,406
2. Number of students who have applied for scholarships:- 8,26,037
3. Number of Corporates on-board:- 36
4. Number of Scholarship schemes published:- 299
5. Total scholarship corpus:- Rs. 27.20 Crore
6. Total scholarships awarded/disbursed:- 9,645
7. Total scholarships due to be awarded/disbursed:- 2,937

(iii) Workflow Management System for Central Board of Film Certification ("CBFC") –

Central Board of Film Certification ("CBFC") of the Ministry of Information and Broadcasting, Government of India has engaged NSDL e-Gov as the "Implementation Agency" for Design, Development, Implementation, Hosting and Maintenance of Online Film Certification Application Processing System and the CBFC website. This engagement was initially assigned for a period of 3 years, and was extended by 1 more year. This system enables applicants to submit film certification application online, upload scanned copies of supporting documents, make online payments, upload short films online and track the status of their certification application online. It also facilitates the CBFC officials to process the application, by providing a web-based interface to capture end-to-end application approval workflow for the departmental users associated with the certification process, including screening of short films. This system also helped the Department to better the inter departmental user interfaces, reduce administrative hassles, increase efficiency, transparency and minimized need of in-person visits by the applicants (producers/agents) to CBFC Offices.

This system was made operational on March 27, 2017 and has so far generated more than 68,600 certificates for Films of various categories. Digitisation of old paper certificates issued by CBFC before the launch of this system was also undertaken and has been completed. These digitised certificates have been made available in the new system for internal reference.

IV) GST Suvidha Provider

Our company is a registered GST Suvidha Provider (GSP) with Goods and Services Tax Network (GSTN) and offers GSP as well as Application Service Provider (ASP) services to various entities such as Dealers, Tax Consultants, Service Centre and other ASPs. Currently, users are able to file for GSTR1 (sales invoices upload), GSTR 3B (summary Return), GSTR-6 (Input Service Distributor), GSTR-7 (TDS Return), ITC-04 (Job Work) and GSTR 9 (Annual Return) through NSDLgst Portal.

To cater to the needs of Corporates who require on-premise GST Compliance Solution for filing GST Returns, NSDL e-Gov has developed NSDLgst Lite solution which has been made available on-premise as well as on the cloud, having all the above features.

E-Invoicing module has also been made available to Dealers having turnover more than specified threshold. Since then our clients are able to upload the Business 2 Business (B2B) invoice data to NSDLgst and generate invoice response file from Invoice Registration Portal (IRP), which contains the IRN, QR code and digitally signed invoice. Dealers can also generate E-way bill for B2B transaction using the generated IRN.

System development has been initiated for generating Dynamic QR Code for Business 2 Consumer (B2C) invoices. Dynamic QR code will have details similar to B2B QR Code with an additional feature to “Scan and Pay” the invoice value.

V) NSDL GST Verification Services (GVS):

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

GVS system enables the Lenders to verify GST compliance for their customers wherein, the Lenders will register on GVS system and the users (i.e. branches) can request for Consent based or Non-Consent based reports for a specific period.

vi) Data Allied Services:

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

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

vii) Vidya Kaushal Portal:

Vidya Kaushal is a first of its kind platform developed to enable any Indian individual to apply for financial assistance/loan to pursue Skill development training courses. The unique skill platform aims to provide truly seamless access to skill loan funding aligned with the national vision of developing a skilled India, creating greater employment opportunities and employable skills.

Vidya Kaushal Portal (VKP) provides a single window for Students to access information and make application for Skill Loans provided by NBFC’s.

This platform was launched on October 4, 2018 and is an initiative of National Skill Development Corporation (NSDC) and the same is powered and maintained by NSDL e-Governance Infrastructure Limited.

viii) Overseas Project Opportunities

Our Company has been exploring business opportunities in various geographies like Malaysia, Australia, Philippines, Qatar etc. Ministry of External affairs ("MEA") and Ministry of Electronics and Information Technology ("MeitY") on behalf of the Govt. of India has taken a visionary initiative to promote Indian businesses in the technology sector under a flagship programme named 'Brand India – Digital Initiative'. MEA has now shortlisted NSDL e-Gov amongst other organisations under the 'Brand India Digital Initiative' for promoting India's capabilities globally, especially in the African continent. It has selected several of our products such as TIN, CRA, e-Sign, e-KYC, Vidya Lakshmi Loan Portal, Vidyasaarathi Scholarship Portal, Vidya Kaushal Skill financing Portal etc. for marketing in those Geographies. Our Company is already empanelled with EXIM Bank for financing of such Projects. NSDL e-Gov is also exploring business opportunities in other geographies.

5. QUALITY OF SERVICE

5.1 Training & Orientation Programmes

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

Several initiatives have been taken to reach out to different stakeholders of NPS during FY 2020-21. During current Financial Year, 137 training sessions were conducted across all sectors at various locations for the Nodal Offices on various processes involved under NPS, operational requirements and process disciplines to be followed. More than 8000 attendees benefitted from attending these programs.

Subscriber Awareness Programmes (SAP) are conducted to complement the efforts of PFRDA to make NPS popular amongst the masses and also to increase the awareness about NPS across India about various features of NPS. During this financial year, 206 SAPs (271 sessions) were conducted. (As most of them were virtual due to pandemic situation. Locations need not be mentioned). Around 33,000 people attended and benefitted from these awareness programs.

5.2 ISO Certifications

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

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

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

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

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

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

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

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

5.3 Capability Maturity Model Integration (“CMMI”)

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

NSDL e-Gov was certified at Capability Maturity Model Integration for Services (CMMI SVC Version 1.3) - Level 5 for Central Recordkeeping Agency (CRA) – Subscriber Services and CRA Systems Infrastructure in March, 2020. An appraisal at maturity level 5 indicates that the organization is performing at the highest - an 'Optimising' level. At this level, processes are systematically managed by a combination of process optimization and continual process improvement.

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

5.4 TIA942 rated 4 Certification for Bengaluru Datacentre

Our Company continues to hold TIA 942-A: 2014 rated 4 Certification for its Data Centre facility at the Disaster Recovery Site (DRS).

5.5 Inspections

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

6. RISK MANAGEMENT

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

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

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

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

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

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

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

g) **Reputational Risk:** Risk arising on account of customer dissatisfaction and customer action, risk of loss arising on account of negative news about the company.

h) **Data/Information & Cyber Security:** Risk relating to issues like IT strategy, architecture, infrastructure, networks, support systems, interfaces, data reliability, access controls, disaster recovery., data loss or theft, fraud, system outages / non-availability , breach of confidentiality, legal/regulatory violations, as well data integrity

i) **Strategy:** Risks associated with strategy development, strategic alliances, business planning, business model, growth, reputation, competition, and innovation and performance targets

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

6.1 Risk Management Policy

The Company has a Board approved Risk Management Policy which provides for Risk Management Governance Structure; Risk Management Process comprising Risk Identification, Risk Assessment, Risk Treatment, Risk Reviews & Status Update Reporting at all levels.

As a part of implementation of the said Policy, various risks have been identified and Risk Assessment Framework has been defined. Risk Management Training for Risk Owners, Risk Champions and Risk Coordinators were conducted. Monitoring of identified risks is done through Risk Appetite Statement and Consolidated Risk Register. Mitigation plans are drawn for breaches (if any) and reported to the Board through Risk & Opportunities Management Committee.

6.2 Other Risk Mitigation Measures

i) Disaster Recovery Site

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

ii) Insurance

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

a) 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

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

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

- Directors & Officers Liability policy
- Cyber Liability Insurance Policy

Apart from these, your Company has taken adequate Insurance cover for premises and equipment. The policy obtained is Electronic Equipment Insurance (EEI) and Office Umbrella Insurance Policy.
All the policies are renewed on time to ensure continuity.

iii) Internal Controls and Audit

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

Adequate internal financial controls with reference to the Financial Statements have been implemented. Review of internal financial controls is carried out covering entity level controls, key financial controls and operational controls. In order to ensure the operating effectiveness of such controls, testing of these control is independently carried out by the internal and operations auditors and the report is reviewed by the Audit Committee.

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

iv) COSO 2017 ERM Framework:

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

v) Information/Cyber Security:

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

vi) Other Measures

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

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

7. CODE OF ETHICS AND VIGIL MECHANISM

Our 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.

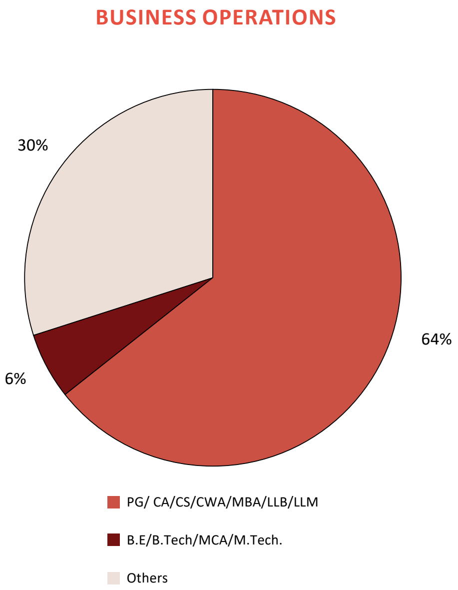
Under this policy, any director or employee of the Company can report any actual or possible violation of the Code or Staff Rules or other applicable laws or an event he/she becomes aware of that could affect the business or reputation of the Company as per the procedure specified in the Policy. There 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 our Company's website: https://www.egov-nsdl.co.in/disclosures_notice.html

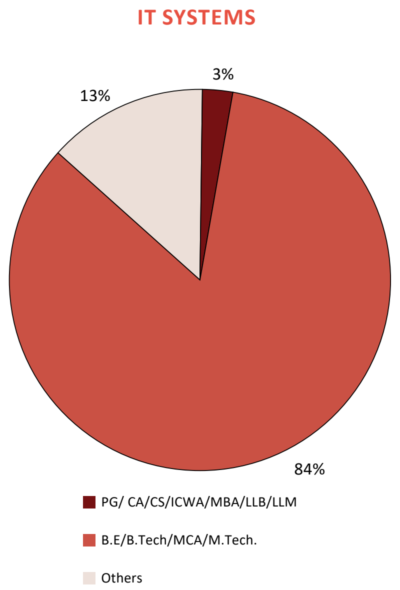
8. HUMAN RESOURCES

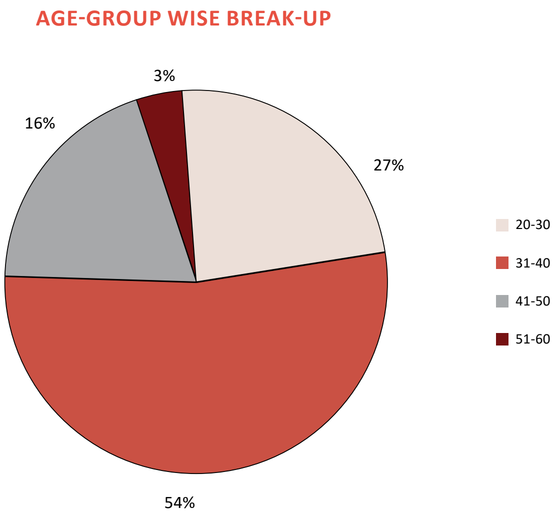
Our Company emphasizes on the quality of its human resources as employees are vital for the organization. The Company has created favourable work environment and has set up a human resource management system, which enables it to retain and attract high calibre employees. Employee relations at all locations are harmonious and cordial. The Company gives utmost importance to the training and development of its employees. Various training and orientation programmes are conducted, both in-house as well as external programmes. Officials across various levels are exposed to programmes according to their respective training needs. Our 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 work-life balance. A good work-life balance for employees improves their motivation, reduces employees stress and increases employee retention.

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







9. CORPORATE GOVERNANCE

Corporate Governance primarily concerns transparency, full disclosure of material facts, independence of Board and fair play with all stakeholders. Our Company endeavours to constantly comply with and to continuously improve on these aspects with an overall view to earn trust and respect of the Members and other stakeholders. Corporate Governance at NSDL e-Governance Infrastructure Limited involves integrity, fairness, equity, transparency, 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 our 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. Our 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 our Company's business philosophy.

9.1 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 & their effectiveness and ensures that the long term interests of all stakeholders are being served.

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

A. Composition and size of the Board of Directors

Our Company is managed and guided by well-balanced Board comprising eminent persons with considerable professional expertise and experience in finance, accounting, legal, banking and other related fields. The Board comprises Eight (8) Directors, out of which Four (4) are Independent; and Two (2) are Non-Executive Directors other than the Managing Director & CEO and Whole Time Director & COO.

B. Board Procedures and Meetings

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

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

During the year under review, Six (6) Board Meetings were held on June 18, 2020 (adjourned and held on June 22, 2021) ; August 17, 2020, September 18, 2020; November 19, 2020; December 11, 2020 and March 23, 2021.

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

Sr. No.	Name of the Director	Category	Attendance Particulars		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	InPrivate Companies	Member	Chairman
1	Mr. Shailesh Haribhakti	Non-Executive, Chairman/ Independent	6	6	9	8	5	4
2	Ms. D.N. Raval	Non-Executive/ Independent	6	6	6	1	3	2
3	Justice (Retd.) Ms. Nishita Mhatre	Non-Executive/ Independent	6	6	-	-	-	-
4	Mr. A. P. Hota	Non-Executive/ Independent	6	6	3	1	3	1
5	Mr. J. Ravichandran*	Non- Executive Director	6	6	-	-	-	-
6	Mr. Karan Bhagat	Non- Executive Director	6	6	2	1	-	-
7	Mr. Suresh Sethi**	Managing Director& CEO	1	1	-	-	-	-
8	Mr. Gagan Rai***	Managing Director& CEO	5	4	-	-	-	-
9	Mr. Jayesh Sule	Whole Time Director & COO	6	5	-	-	-	-

*Mr. J. Ravichandran (DIN: 00073736), Director, ceased to be Director of the Company with effect from April 1, 2021 on account of his superannuation from the services of the NSE

**Mr. Suresh Sethi (DIN: 06426040) was appointed as Managing Director & CEO of the Company with effect from February 18, 2021

***Mr. Gagan Rai (DIN: 00059632) ceased to be Managing Director & CEO with effect from February 17, 2021 as his term ended

Notes:

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

D. Board level Changes

Board Level changes during the year are mentioned below:

1. Mr. Gagan Rai (DIN: 00059632) ceased to be Managing Director & CEO with effect from February 17, 2021 as his term ended;

2. Mr. Suresh Sethi (DIN: 06426040) was appointed as Managing Director & CEO of the Company with effect from February 18, 2021;

3. Mr. J. Ravichandran (DIN: 00073736), Director, ceased to be Director of the Company with effect from April 1, 2021 on account of his superannuation from the services of the NSE.

Following is the current composition of the Board:

Sl. No	Name	Category / Designation
1.	Mr. Shailesh Haribhakti	Independent Director
2.	Ms. D. N. Raval	Independent Director
3.	Justice (Retd.) Ms. Nishita Mhatre	Independent Director
4.	Mr. A. P. Hota	Independent Director
5.	Mr. Mukesh Agarwal	Additional Director (Non-Executive)- appointed w.e.f. May 7, 2021
6.	Mr. Karan Bhagat	Non-Executive Director
7.	Mr. Suresh Sethi	Managing Director & CEO
8.	Mr. Jayesh Sule	Whole Time Director & COO

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

The Company has received declarations from all the Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. Further, as required under rule 6 (4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 the Independent Director shall enrol his/her name in the Databank, being maintained by the Indian Institute of Corporate Affairs to qualify as an Independent Director. All the Independent Directors have enrolled their names in the Databank. Justice (Retd.) Ms. Nishita Mhatre (DIN: 08489369) who possess the required qualifications, integrity, expertise and experience for the said position is in the process of clearing the online proficiency self-assessment test as required under rule 6 (4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 within the time limit prescribed under the said rule. The remaining Independent Directors having requisite experience and are not required to appear for the proficiency test as they are exempt under the said rule

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

a) To recommend Directors retiring by Rotation to the Board:

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Karan Bhagat (DIN : 03247753), Non-Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting (“AGM”) and being eligible has offered himself for re-appointment.

b) To recommend change in designation of Additional Director:

Mr. Mukesh Agarwal (DIN: 03054853), who was appointed as Additional Director (Non-Executive) w.e.f. May 7, 2021 and who holds office till the date of ensuing Annual General Meeting, be appointed as Director (Non-Executive) from the date of Annual General Meeting (“AGM”), and whose office shall be liable to retire by rotation, subject to approval of members.

The above appointments have been recommended by the Nomination & Remuneration Committee and the Board.

9.2 BOARD COMMITTEES

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

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

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

A. Audit Committee

The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and other regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company 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. During the financial year under review, Audit Committee was chaired by Mr. Shailesh Haribhakti, with Justice (Retd.) Ms. Nishita Mhatre, Mr. A. P. Hota and Mr. Karan Bhagat as its members. Out of four members of the Committee three are Independent Directors. The Managing Director & CEO, Whole Time Director & COO, Chief Financial Officer, Chief Risk Officer & Chief Information Security Officer are permanent invitees to the meetings of Audit Committee.

All members of the Audit Committee have good knowledge of financial matters. The Chairman of the Audit Committee, Mr. Shailesh Haribhakti, Independent Director, is a Chartered Accountant, Cost Accountant and Certified Internal Auditor. He possesses extensive accounting and related financial & risk management expertise. The Chairman of the Audit Committee also attends the Annual General Meeting. The composition of the Audit Committee meets the requirements of the Companies Act. Company Secretary of the Company acts as the Secretary to the Audit Committee. During FY' 21, four meetings of the Audit Committee were held. Details of attendance of each director at the Committee Meetings held during the year are as follows:

Sr. No.	Name of the Member	No. of meetings held during the tenure	No. of meetings attended
1.	Mr. Shailesh Haribhakti	4	4
2.	Ms. Nishita Mhatre	4	3
3.	Mr. Karan Bhagat	4	3
4.	Mr. Abhaya Hota*	3	3

*Appointed with effect from June 22, 2020

B. Nomination & Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee with Ms. D.N. Raval as Chairperson and Mr. Shailesh Haribhakti, & Mr. Karan Bhagat as members of the Committee. Out of the three members, two are Independent Directors. Mr A. P. Hota has been appointed as a member with effect from May 7, 2021.

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

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

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

Sr. No.	Name of the Member	No. of meetings held during the tenure	No. of meetings attended
1.	Ms. D.N. Raval	5	5
2.	Shailesh Haribhakti	5	5
3.	Karan Bhagat	5	4

C . Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee acts under the Chairmanship of Ms. D. N. Raval with Ms. Nishita Mhatre & Mr. Suresh Sethi as members. During the year, Mr. J. Ravichandran ceased to be a member of the Committee with effect from June 22, 2020. Ms. Nishita Mhatre became a member of the Committee with effect from June 22, 2020. Further, Mr. Gagan Rai ceased to be a member of the Committee with effect from February 17, 2021 as his term ended and Mr. Suresh Sethi was appointed as member of the Committee with effect from March 22, 2021. The composition of the Committee meets the requirements of the Companies Act, 2013 and Rules notified thereunder. The Committee has formulated a Corporate Social Responsibility Policy which indicates the activities to be undertaken by the company. The Committee recommends to Board the amount of expenditure to be incurred on the activities to be undertaken by the company and monitors the CSR Policy of the company from time to time. The Committee reviews the implementation reports submitted by recipients of funds and evaluation reports submitted by Independent Evaluator.

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

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

Sr. No.	Name of the Member	No. of Meetings held during the tenure	No. of meetings attended
1.	Ms. D.N. Raval	4	4
2.	Mr. J. Ravichandran*	1	1
3.	Mr. Gagan Rai***	3	3
4.	Ms. Nishita Mhatre**	3	3
5.	Mr. Suresh Sethi****	1	1

*Not a member w.e.f. June 22, 2020

**Appointed w.e.f. June 22, 2020

***Not a member w.e.f. February 17, 2021

****Appointed w.e.f. March 22, 2021

D. Risk and Opportunities Management Committee

The Board at its meeting held on March 16, 2018 has constituted Risk Management Committee consisting of representatives of the Board. The Committee was re-named as Risk & Opportunities Management Committee w.e.f. September 16, 2019. Details of attendance of each director at the Risk & Opportunities Management Committee Meetings held during the year are as follows:

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

*Upto June 22, 2020

**With effect from June 22, 2020

E. Meetings of the Independent Directors

In terms of the provisions of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held on March 23, 2021 without participation of non- independent directors and management representatives, inter alia to discuss:

a) the performance of non-independent directors and the Board as a whole;
b) the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

F. Stakeholders' Relationship Committee

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

1. Ms. Nishita Mhatre – Chairperson;
2. Mr. Mukesh Agarwal – Member;
3. Mr. Jayesh Sule – Member

9.3 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.

9.4 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; &

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

A separate meeting of the Independent Directors was held on March 23, 2021 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.

9.5 REMUNERATION POLICY

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

During F.Y. 2017, our Company introduced NSDL e-Governance Infrastructure Limited – Employee Stock Option Plan 2017 ("ESOP 2017"), as amended by the shareholders by passing Special Resolution at their meeting held on December 3, 2020, which covers eligible employees of the Company and its future subsidiaries. The company has granted stock options (each option carrying entitlement for one equity share) on December 4, 2017 to eligible employees at an exercise price of Rs. 310/- per share. These stock options vested after the expiry of one year from the date of grant and can be exercised 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, 1,31,481 fully paid equity shares of face value of Rs. 10/- each of the Company for cash with premium of Rs. 300/- per equity share aggregating to Rs. 4,07,59,110/-, the Board at its meeting held on March 23, 2021 approved the allotment of 1,31,481 equity share 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 E and forms part of this report.

9.6 SHAREHOLDING PATTERN

Shareholding Pattern as on March 31, 2021 is as follows:

Sr.No.	Name of the Shareholder	Number of shares held	% Holding
1	NSE Investments Limited	10,018,000	24.96
2	Administrator of the Specified Undertaking of the Unit Trust of India – DRF	2,732,000	6.81
3	IIFL Special Opportunities Fund	2,894,507	7.21
4	IIFL Special Opportunities Fund – Series 4	2,499,178	6.23
5	IIFL Special Opportunities Fund – Series 2	2,016,366	5.02
6	State Bank of India	2,000,000	4.98
7	HDFC Bank Ltd.	2,000,000	4.98
8	AXIS Bank Limited	2,000,000	4.98
9	Deutsche Bank A.G.	2,000,000	4.98
10	IIFL Special Opportunities Fund – Series 5	1,947,396	4.85
11	Citicorp Finance India Ltd.	1,250,000	3.11
12	HSBC Ltd.	1,250,000	3.11
13	Standard Chartered Bank	1,250,000	3.11
14	Punjab National Bank (After Oriental Bank of Commerce merger)	913,000	2.27
15	Union Bank of India	1,125,000	2.80
16	IIFL Special Opportunities Fund – Series 3	933,293	2.33
17	Bank of Baroda (After Dena Bank merger)	625,000	1.56
18	Canara Bank	500,000	1.25
19	IIFL Special Opportunities Fund – Series 7	1,663,166	4.14
20	IIFL Special Opportunities Fund – Series 6	46,094	0.11
21	Soach Global Digital Infrastructure Holdings Limited	337,000	0.84
22	ESOP holders (20)	1,39,462	0.35
	TOTAL	**40,139,462**	**100**

9.7 GENERAL BODY MEETINGS

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

AGM	Date	Venue
23rd AGM	August 10, 2018	Times Tower, 1st Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013
24th AGM	September 16, 2019	Times Tower, 1st Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013
25th AGM	September 18, 2020	Times Tower, 1st Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013

The Twenty Sixth Annual General Meeting of our Company is scheduled to be held on Thursday, September 23, 2021 at 10:00 a.m at the registered office of NSDL e- Governance Infrastructure Limited, Times Tower, 1st Floor, Kamala Mills Compound, Lower Parel, Mumbai–400013 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 and General Circular No. 02/2021 dated January 13 2021 issued by the Ministry of Corporate Affairs.

9.8 GENERAL SHAREHOLDER INFORMATION

- **Company Registration details:**
  The Company is registered with the Registrar of Companies, Mumbai, State of Maharashtra, India. The Corporate Identity Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs ("MCA") is U72900MH1995PLC095642.
- **Financial year:** From April 1 to March 31
- **Record date for dividend payment :** Date of AGM
- **Listing on stock exchange:**
  The Company is not listed in any of the stock exchanges in India or abroad.
- **Branch offices**
  The Company's branch offices are located at New Delhi, Kolkata, Chennai and Ahmedabad.

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

- **Address for correspondence:**

Shareholders' correspondence should be addressed to the Company Secretary at the registered office of the Company at:

NSDL e-Governance Infrastructure Limited
Times Tower, 1st Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013

Tel. :(022)24994200
E-mail ID: cs@nsdl.co.in
Website: www.egov-nsdl.co.in
CIN: U72900MH1995PLC095642

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

CSR

10 CORPORATE SOCIAL RESPONSIBILITY

Our Company has been making contributions to socially useful projects since 2007. In accordance with the provisions of the Companies Act, 2013 the Company has re- constituted the Corporate Social Responsibility ("CSR") Committee of the Board and has adopted a CSR Policy which inter-alia provides the CSR activities which can be undertaken by the Company. The Committee recommend to the Board a CSR Policy, recommend the amount of expenditure to be incurred on the activities and to monitor CSR Policy from time to time (https://egov-nsdl.co.in/csr.html). The CSR projects undertaken by the Company are broadly covered under the following areas as permitted under Schedule VII of the Companies Act, 2013:

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

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


Skills and Entrepreneurial quality development Program at Asmita, Mumbai




Training programme at Sanvedana Cerebral Palsy Vikasan Kendra- Latur

Sanganak Pradnya, Computer training programme and Health initiaves at BAVP Aurangabad

Sant Gadgebaba Arogya Kendra Slum Health Care Project through Babasaheb Ambedkar Vaidyakiya Pratishthan (BAVP) Aurangabad

Dialysis and T.B. Medicine related services through Nana Palkar Smruti Samiti, Mumbai

Entertainment Programme at Dilasa Day Care Center (Second home and helpline for senior citizens) Implemented through Parivartan Mahila Sanstha, Dombivali

11 DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

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

d) the directors have ensured that the annual accounts are prepared on a going concern basis;

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

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

12 OTHER DISCLOSURES

i) SUBSIDIARY

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

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

b) NSDL e-Governance Australia Pty Ltd.

During FY2020-21, our Company has incorporated a wholly-owned subsidiary company in Australia in the name NSDL e-Governance Australia Pty Ltd. The purpose of setting up this subsidiary is to design, develop, manage, and implement e-Governance projects through efficient use of information and communication technologies in Australia and other neighbouring countries.

c) NSDL e-Governance Account Aggregator Limited

During FY2020-21, our Company has incorporated a wholly-owned subsidiary company in the name NSDL e-Governance Account Aggregator Limited. This is a Non-Systematic Non-Deposit Taking Non-Banking Financial Company and the said Company is to be registered with the Reserve Bank of India.

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

ii) AUDITORS

a) STATUTORY AUDITORS

The members at the Twenty First (21) Annual General Meeting ("AGM") of the Company held on September 8, 2016 had appointed M/s. BSR & Associates LLP, Chartered Accountants [ICAI Registration Number 116231W/W-100024] as Statutory Auditors of the Company who would hold office for a period of five years from FY 2016-17 till the conclusion of the AGM to be held in the year 2021 subject to ratification at every AGM for which auditors had conveyed their acceptance. The requirement of seeking ratification of the members for continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 w.e.f. May 7, 2018 by the Ministry of Corporate Affairs ("MCA"). Hence, the resolution seeking ratification of the members for their appointment is not being placed at the ensuing AGM. The Board of Directors at their meeting held on March 23, 2021 had considered and recommended the proposal of reappointment of M/s. BSR & Associates LLP, Chartered Accountants [ICAI Registration Number 116231W/W-100024] as the Statutory Auditors of the Company to the shareholders for the second term for a period of five years from FY 2021-22 till the conclusion of the AGM to be held in the year 2026.

M/s. BSR & Associates LLP, Chartered Accountants [ICAI Registration Number 116231W/W-100024], have expressed their willingness to act as the Statutory Auditor of the Company for a second term and the said appointment would be in accordance with Section 139 of the Companies Act, 2013 and the rules made thereunder and that they are not disqualified in terms of Section 141 of the Act. A proposal for reappointment of M/s. BSR & Associates LLP, Chartered Accountants [ICAI Registration Number 116231W/W-100024], will be placed before the shareholders at the ensuing AGM for approval. Further, the Auditors' Report does not contain any qualifications, reservations or adverse remarks. There were no frauds which are reported to have been committed by employees or officers of the Company. The report of the Statutory Auditor forms part of the financial statements.

b) SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S. N. Ananthasubramanian & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2020-21. The Secretarial Audit Report for FY 2020-21 is annexed herewith as **Annexure C** and forms part of this report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks. The applicable Secretarial Standards have been duly complied by our Company.

c) INTERNAL AUDITORS

The Company has been undertaking Internal Audit since inception. In terms of the provisions of the Companies Act, 2013 and Rules notified thereunder, the Company has appointed M/s Deloitte Touche Tohmatsu India LLP, Chartered Accountants, as Internal Auditors for a period of two years from FY 2019-20 to carry out Internal and Operations Audit of the Company. The Board on the recommendation of the Audit Committee have re-appointed M/s Deloitte Touche Tohmatsu India LLP, Chartered Accountants, as Internal Auditors for another two years from FY 2021-22. Internal Auditors carry out the audit as per the Audit Plan approved by the Audit Committee and submit report on a quarterly basis to the Audit Committee. Internal Auditors evaluate the effectiveness of internal controls and suggest measures for their improvement.

d) COST AUDITORS:

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

iii. PUBLIC DEPOSITS

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

iv. RELATED PARTY TRANSACTIONS

During the financial year, there were no related party transactions made by the Company with related parties as defined under the Companies Act, 2013. The Company has, however, paid remuneration to Key Management Personnel pursuant to their employment which is in the ordinary course of business and at arms' length basis. The details of the transaction pertaining to FY2020-21 is set out in the Form AOC – II.

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

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

Solar Photovoltaic (PV) Panels with Installed capacity of 20 Kw was commissioned at Data Center site in Pune. The Solar PV system at Data centre site in Pune has generated 26,132 units in FY2020-21.

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

Foreign Exchange earnings/outgo during the year under review:

Currency : (₹ in Lakhs)

Sr. No.	Particulars	FY 2020-21	FY 2019-20
1	Foreign Exchange Earnings	NIL	NIL
2	Foreign Exchange Outgo/Expenditure incurred in foreign currency	7.93	154.81

vi . ANNUAL RETURN

As per the provisions of Section 92(3) read with section 134(3)(a) of the Companies Act, 2013 and the rules made thereunder, Annual Return for the financial year ended on March 31, 2021 in prescribed Form No. MGT-7 is available on the website of the Company on: https://www.egov-nsdl.co.in/disclosures_notice.html.

vii. PARTICULARS OF EMPLOYEES

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

viii. ORDERS PASSED AGAINST THE COMPANY

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

ix. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company continues to hold 51% of share capital in NSDL e-Governance (Malaysia) Sdn. Bhd. The Subsidiary is in the process of closure and it has not been given any guarantee covered under the provisions of Section 186 of the Companies Act, 2013. The investment and the loan made by the company are given in the notes to the financial statements.

Apart from the above mentioned transaction, there have not been transactions of loans, guarantees or investments under section 186 of the Companies Act, 2013.

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

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

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

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

There were no complaints received during the year 2020-21. Awareness program for all employees was conducted during the year.

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

xii. ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") OBJECTIVES

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

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

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

13. 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.

14. CAUTIONARY STATEMENT

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

15. APPRECIATION

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

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

For and on behalf of the Board of Directors of
NDSL e-Governance Infrastructure Limited

Sd/-

Place: **Mumbai**
Date: August 17,2021

SHAILESH HARIBHAKTI
Chairman (DIN: 00007347)

ANNEXURES TO BOARD'S REPORT

ANNEXURE A

1. Policy Statement

Background

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

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

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

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

Policy

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

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

2. Purpose and Objectives

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

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

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

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

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

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

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

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

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

3 Definitions

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

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

"Company" means NSDL e-Governance Infrastructure Limited.

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

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

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

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

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

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

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

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

4 Scope and Applicability

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

5 Remuneration Governance

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

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

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

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

6 Equal Remuneration Opportunity

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

7 Remuneration Structure

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

7.1 Fixed Remuneration

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

7.2 Variable Remuneration or Performance Linked Incentive

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

7.3 Employee Stock Option Plan (ESOPs)

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

8 Determination of Remuneration for Employees

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

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

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

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

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

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

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

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

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

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

9 Determination of Remuneration for Directors

9.1 Non-Executive Directors

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

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

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

9.2 Managing Director / Whole Time Director

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

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

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

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

10 Review of remuneration package

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

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

11 Amendment

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

ANNEXURE B

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

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

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

2. The Composition of the CSR Committee (As on August 17, 2021).

Sl. No.	Name of Director	Nature of Directorship Designation/	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Dharmishta Raval	Chairperson, Independent Director	4	4
2.	Ms. Nishita Mhatre	Independent Director	4	4
3.	Mr. Suresh Sethi	Managing Director & CEO	1	1
4.	Mr. Gagan Rai*	Managing Director & CEO	3	3

*Mr. Gagan Rai ceased to be member of CSR Committee with effect from February 17, 2021

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. https://egov-nsdl.co.in/csr.html
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). – Not Applicable for the financial year under review
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
1	FY' 2020-2021	Not Applicable	NIL

6. Average net profit of the company as per section 135(5) - Rs.17,997.67 lakhs
7. a) Two percent of average net profit of the company as per section 135(5) – Rs.359.95 lakhs
   b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – NIL
   c) Amount required to be set off for the financial year, if any – NIL
   d) Total CSR obligation for the financial year (7a+7b- 7c) – Rs. 359.95 lakhs

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	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
4,57,98,000*	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

*Includes Rs.98.03 lakhs carried forward from previous financial yearcial year:

(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 Rs.).**	**Amount spent in the current financial Year (in Rs.)**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)**	**Mode of Implementation District**	**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 Rs.)**	**Mode of implementation-Direct (Yes/ No)**	**Mode of implementation – Through implementing agency**	
				State	**District**			**Name**	**CSR registration number**
1.	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)	Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.	N.A.	Pan India	Not Applicable	50,00,000	No	Not Applicable	Not Applicable
2.	Indian Council of Medical Research	Contributions to public funded Universities; Indian Institute of Technology	N.A.	Pan India	Not Applicable	50,00,000	No	Not Applicable	Not Applicable
3.	Contribution towards Child Care and Rehabilitation Centre Project-Vatsalya Trust Mumbai	Setting up homes and hostels for women and orphans, and operating and maintaining shelters for orphans and women.	Yes	Maharashtra	Mumbai	40,00,000	Yes	Yes	CSR00003134

4.	Matimand Niwasi Vidyalay, Apang Yuvak Swayam Sahayata Kendra & Karna-Badhir Niwasi Vidya-lay – Punyatma Prabhakar Sharma Seva Mandal	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Maha-rashtra	Mumbai	15,06,000	Yes	Yes	CSR00005050
5.	Technological interventions (solar & elearning) in rural education-The Bombay Mothers and Children Welfare Society	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects and rural development projects.	Yes	Maha-rashtra	Pune	20,00,000	Yes	Yes	CSR00013602
6.	Dialysis and T.B. Medicine related services-Nana Palkar Smruti Samiti	Promoting health care including preventive health care	Yes	Maha-rashtra	Mumbai	50,00,000	Yes	Yes	CSR00001230
7.	Cerebral Palsy Project-Sanvedana Cerebral Palsy Vikasan Kendra	• Promoting health care including preventive health care • Promoting education including special Education	Yes	Maha-rashtra	Latur	28,62,000	Yes	Yes	CSR00006244
8.	Sant Gadgebaba Arogya Kendra Slum Health Care Project-Babasaheb Ambedkar Vaidyakiya Pratishthan	Providing primary health care and health education services including special education	Yes	Maha-rashtra	Aurang-abad	15,66,000	Yes	Yes	CSR00000181
9.	Sanganak Pradnya-Babasaheb Ambedkar Vaidyakiya Pratishthan	Providing primary health care and health education services including special education	Yes	Maha-rashtra	Aurang-abad	7,10,000	Yes	Yes	CSR00000181
10.	Guruvarya Lahuji Salve Slum Health Center-Babasaheb Ambedkar Vaidyakiya Pratishthan	Providing primary health care and health education services including special education	Yes	Maha-rashtra	Aurang-abad	21,98,000	Yes	Yes	CSR00000181
11.	Vidya Saarthi Scholarship	Promoting Education	Yes	Pan India	-	50,00,000	No	No	NOT APPLICABLE
12.	Contribution to Divyangjan project- Vatsalya Trust Mumbai	• Measures for reducing inequalities faced by socialy and economicaly backward groups • Promoting education including special education and employment enhancing vocation skills especially among children women elderly and the differently abeled and livelihood enhancement projects.	Yes	Maha-rashtra	Mumbai	20,00,000	No	No	CSR00003134
	TOTAL					**3,68,42,000**			

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment, if applicable – NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs.3,68,42,000/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	3,59,95,000
(ii)	Total amount spent for the Financial Year	3,68,42,000*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	8,47,000
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	8,47,000

*Does not include the Rs.98.03 lakhs c/f from last year.

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 Rs.)	Amount spent in the reporting Financial Year (in Rs.)	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 Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
NIL							

(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 Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Status of the project -Completed /Ongoing
NIL								

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

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

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

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

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – Not Applicable

Sd/- **SURESH SETHI** MD & CEO DIN- 06426040	Sd/- **DHARMISHTA RAVAL** CHAIRMAN - CSR COMMITTEE DIN - 02792246

ANNEXURE C
Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2021

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NSDL e-Governance Infrastructure Limited** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ 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, 2021**, 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, 2021** according to the provisions of:

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

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

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

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

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): – **Not applicable as the securities of the Company are not listed with any Stock Exchange.**
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

a. Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013 and PFRDA (Central Recordkeeping Agency) Regulations, 2015 and applicable provisions of other allied intermediary regulations notified under PFRDA Act 2013 asamended 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 anystatutory / 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 Members at the Extraordinary General Meeting held on December 3, 2020 approved the increase in the ESOP Pool from 4,00,000 Options to 5,00,000 Options in the ESOP 2017 Plan as recommended by the Board of Directors at their meeting held on September 18, 2020.
2. The Company has incorporated a wholly owned subsidiary in the name of "NSDL e-Governance Account Aggregator Limited" with an Authorised Share Capital of Rs. 5 Crore and an initial Paid-Up Share Capital of Rs. 3 Crore. Application for In-principle approval for the Account Aggregator license has been made to RBI.
3. The Company has incorporated a wholly owned subsidiary in Australia and approved an investment of a sum not exceeding Rs.10 Crore.

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

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

S. N. Ananthasubramanian
Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206B000333911
June 1, 2021
Thane

Annexure – A

To,
The Members,
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, 2021 of even date is to be read along with this letter.

Management's Responsibility

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

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We 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 the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. Due to the pandemic caused by COVID-19 and prevailing lockdowns / restrictions on movement of people imposed by the Government, for the purpose of issuing this Report, we have conducted our audit remotely based on the records and information made available to us by the Company, electronically.
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. Ananthasubramanian
Partner
FCS: 4206 | COP No.: 1774
ICSI UDIN: F004206B000333911
June 1, 2021
Thane

Annexure D

Pursuant to Section 197 of the Companies Act, 2013

Name and Qualifications	Age	Designation	Remuneration Received (Rs.)	Experience (No. of years)	Date of commencement of employment	Last Employment and Designation
Mr. Gagan Rai B.Com.(Hons), M.A. (Eco), I.C.W.A, C.A.I.I.B, D.P.P.E.C	65 years	Managing Director & CEO (upto February 17, 2021)	10,35,17,227	46	August 1, 1996	Executive Director, NSDL
Mr. Suresh Sethi B.E. (Electronics) MBA - Delhi University	56 years	Managing Director & CEO (w.e.f. February 18, 2021)	25,84,211	35	July 15, 2020	CEO & MD of India Post Payments Bank
Mr. Jayesh Sule B.Com., F.C.A.	58 years	Whole Time Director & COO	3,07,90,179	37	July 29, 1996	Asst. Vice President, NSEIL

- 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 contractual.
- None of the above is a relative of any Director.
- Employee's Stock Options were granted to MD & CEO and WTD & COO. During the FY 2020-21, they have exercised the options which had vested during the year.
- Employed throughout the financial year.

Annexure E

Report on Fair Valuation, Amortization of Compensation Cost
And
Disclosures of Employee Stock Options Of NSDL e-Governance Infrastructure Ltd.

Confidentiality and Disclaimer

Access to this document should be restricted only to personnel of NSDL e-Governance Infrastructure Ltd. ("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

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

1. Computation of the fair value of the options using the Black Scholes Option-pricing model granted under the ESOP Scheme.
2. Computation of the compensation cost (based fair value of the options granted) for the financial year ended March 31, 2021.
3. Disclosures as required under the Companies Act 2013 and/or disclosures in notes to Accounts as required by ICAI guidance note

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

1. Introduction and Methodology

The SEBI (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI Regulations") recommend calculation of the fair value of options using the Black- Scholes Options Pricing Model or any other option pricing model. Since the Black-Scholes model has been widely used globally for valuing employee stock options, we have used the same model for the purpose of our calculations.

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

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

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

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

Table 1: Correlation between the variables and Fair Value

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

2. Fair Value Computation

Fair value per option, of options granted by the Company under its ESOP Scheme are given below in Table 2 and details of the calculation are given in Annex I.

Grant ID	Grant Date	Fair Value	Exercise Price
GT18SEP2020	18/Sep/2020	303.56	310.00
GT03DEC2020	03/Dec/2020	290.21	310.00

Table 2: Fair Value of Options granted

The fair value of options has been calculated using the Black-Scholes option pricing formula.

3. Rationale for variables used

The variables used for calculating the fair value and their rationale are as follows:

A. Stock price

The closing market price one day prior to the date of grant on a Stock Exchange where volumes are higher has been considered for the purpose of option valuation.

Under the ESOP Scheme 1 option entitles an employee to 1 equity share of the Company.

B. Volatility

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements. It is also important that movements due to abnormal events get evened out.

There is no research that demonstrates conclusively how long the historical period used to estimate expected long-term future volatility should be. However, Guidance note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India recommends including the historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued.

Accordingly, since each vest has been considered as a separate grant, we have considered the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date. Volatility has been calculated based on the daily closing market price of Vedavaag Systems Ltd., ABM Knowledgeware Ltd., Tera Software Limited, Vakrangee Limited respectively. Weighted average of these companies has been taken into account for the purpose of calculating fair values to reduce any company specific variations.

The Fair value of an option is very sensitive to this variable. Higher the volatility, higher is the Fair value. The rationale being, the more volatile a stock is, the more is its potential to go up (or come down), and the more is the probability to gain from the movement in the price. Accordingly, an option to buy a highly volatile stock is more valuable than the one to buy a less volatile stock, for the probability of gaining is lesser in the latter case.

C. Risk free interest rate

The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-yield curve for Government Securities.

D. Exercise Price

We have considered the exercise price as per the information provided by the Company.

E. Time to Maturity / Expected Life of options

Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.The expected life of an award of stock options shall take into account the following factors–

i. The expected life must at least include the vesting period.

ii. The average lengths of time of similar grants have remained outstanding in the past. If the company does not have a sufficiently long history of stock option grants, the experience of an appropriately comparable peer group may be taken into consideration.

iii. The expected life of stock options should not be less than half of the exercise period of the stock options issued until and unless the same is supported by historical evidences with respect to stock options issued by the company earlier.

a weighted average of vests has been calculated to arrive at the value of the options granted.

F. Expected dividend yield:

Expected dividend yield has been calculated based on the dividend declared for 1 financial year prior to the date of grant. The dividend yield has been derived by dividing the dividend per share by the market price per share on the date of grant.

4. Computation of the Compensation Cost

The total compensation under Fair Value method for the year ended March 31, 2021 is ₹ 1,08,47,990.

Reversals though Profit & Loss account for the year are 5,79,482.

Assumptions -

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

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

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

Sr.No.	Particulars	NSDL e-Governance Infrastructure Limited – Employee Stock Option Plan 2017 ("ESOP 2017")
I.	**Details of the ESOS**	
1	Date of Shareholder's Approval	Approved on December 4, 2017 and December 3, 2020
2	Total Number of Options approved	5,00,000
3	Vesting Requirements	25%/33%/50% of the options granted will vest every year starting from one year from date of grant
4	ExercisePrice or Pricing formula (Rs.)	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	3,80,492
2	Options Granted during the year	60,000
3	Options Forfeited / lapsed during the year	16,294
3A	Options adjusted for accumulating rounding off difference	2
4	Options Vested during the year	1,03,169
5	Options Exercised during the year	1,31,481
6	Total number of shares arising as a result of exercise of options	1,31,481
7	Money realised by exercise of options (Rs.)	4,07,59,110
8	Number of options Outstanding at the end of the year	2,92,719
9	Number of Options exercisable at the end of the year	1,70,326

III.	**Weighted average exercise price of Options granted during the year whose**	
(a)	Exercise price equals market price	
(b)	Exercise price is greater than market price	
(c)	Exercise price is less than market price	310.00
	Weighted average fair value of options granted during the year whose	
(a)	Exercise price equals market price	
(b)	Exercise price is greater than market price	
(c)	Exercise price is less than market price	294.66

The weighted average market price of options exercised during the year (Rs.) (As informed by the company)	468.00

IV Employee-wise details of options granted during the financial year 2020-21 to:

(i) Senior managerial personnel:

Name	No.of options granted
Suresh Sethi - MD & CEO	60,000.00

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

Name	No.of options granted
No Options Granted during the year 2019-20	60,000.00

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

Name	No.of options granted
NIL	

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

Date of grant	Particulars
1. Risk Free Interest Rate	4.54%
2. Expected Life	2.83
3. Expected Volatility	94.64%
4. Dividend Yield	2.14%
5. Price of the underlying share in market at the time of the	468.00

Assumptions:

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

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

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

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

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

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

Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	23.03

Expense on Employee Stock Option Scheme debited to Profit & Loss during the FY 2020-21(in crores.)	1.08

Date of Grant : 3/Dec/2020 **Grant ID : GT03DEC2020**	**03-Dec-2021**	**03-Dec-2022**
Variables		
Market Price (Rs.)	468.00	468.00
Expected Life (In Years)	2.50	3.50
Volatility (%)	85.20	94.06
Riskfree Rate (%)	4.26	4.70
Exercise Price (Rs.)	310.00	310.00
Dividend yield (%)	2.14	2.14
Fair Value per vest (Rs.)	271.75	308.66
Vest Percent (%)	50.00	50.00
Options Fair Value (Rs.)	290.21	

Date of Grant : 18/Sep/2020 Grant ID : GT18SEP2020	18-Sep-2021
Variables	
Market Price (Rs.)	468.00
Expected Life (In Years)	2.50
Volatility (%)	104.65
Riskfree Rate (%)	4.66
Exercise Price (Rs)	310.00
Dividend yield (%)	2.14
Fair Value per vest (Rs.)	303.56
Vest Percent (%)	100.00
Options Fair Value (Rs.)	303.56

Annexure F

ESG Initiatives

Over the last two decades, ESG (Environment, Social, Governance) measures have enabled investors filter for Responsible companies. The concept of the Triple Bottom Line is largely executed through ESG checklists today. Even though ESG adoption and reporting is not mandatory for all, majority of companies are under-prepared with data related to their impact on sustainability. However, there exists a realisation that if corporates do not demonstrate appropriate ESG responsibility and adherence, consequences will be grave. A recent PwC survey in the European Union stated that 77% of institutional investors "plan to stop buying non-ESG products/services within the next two years". Another telling insight from the PwC report was that "By 2025, 57% of mutual fund assets will be held in ESG funds."

Given the pace at which the world is moving, it is imperative that we immediately adopt and embed ESG principles in our business model and ways of working. It is evident that just the financial wellbeing of an organisation will not be sufficient to attract investors and growth. Organisations will also have to assume overall responsibility towards Sustainability.

The United Nations (UN) has defined Sustainable Development Goals (SDGs) to provide direction for systematic adoption of ESG & Sustainability practices. The last few decades have particularly seen major deterioration of the Earth, threatening the very survival of this planet. While various measures have been taken to reduce this impact and manage survival, these are not enough. Stronger actions are needed to ensure long-term sustainability and move towards being carbon-neutral, and eventually move towards zero emission and zero pollution by transforming the ways we do business.

NSDL eGovernance Infrastructure Limited (NSDL eGov) has been a transformational organisation at its very core, since its inception in 1996. Much before the ESG concept became prevalent and when only a few scientists were grappling with the problem of global warming, the parent company had announced the very first initiative of Dematerialisation of share certificates in India, thereby completely eliminating paper share certificates. Over the last two-and-a-half decades, this initiative has saved millions of trees. About a decade back, the original depository business was demerged into an independent organisation, NSDL eGov, due to regulatory requirements. This company has nurtured the intentions and adopted ESG principles within the culture of the organisation, which also influenced its way of doing business. Our long-term objective has been to align with SDGs and responsibly contribute its share toward sustainability to make a positive impact. The business initiatives, service delivery models, and the work culture adopted by NSDL eGov are testimony of the organisation's efforts towards this objective. NSDL eGov has always been a proponent of good corporate governance, which laid the foundation for adoption of ESG principles

ESG Initiatives – Responsibility towards the Environment

Energy is one of the most important factors for development and growth. However, it is important to understand the impact of energy generation. When we refer to energy here, we are primarily referring to electricity. Having our own Data Centre and using electricity heavily to keep it running contributes to the adverse impact on the environment. NSDL eGov very well understands its responsibility towards minimising the effect of electricity sourced from the grid because producing, transmitting and consuming such energy have a negative impact on environment. Therefore, as a first step, solar panels have been installed at the NSDL eGov Data Centre in Pune. While this is a beginning and more is yet to be done, NSDL eGov is taking concrete steps towards usage of renewable energy and will progress in this direction in the near future.

The second-most important factor is eWaste. NSDL eGov provides its services in digital form. It has a large IT Infrastructure set-up. Every equipment and technology has a certain useful life, beyond which it becomes obsolete. NSDL eGov, however, phases out old equipment responsibly. Such old equipment is known as electronic waste or e-Waste. NSDL eGov has a formal policy for handling and disposal of e-Waste. It always disposes such e-Waste through certified agencies, which provide assurance that eWaste disposal/recycling will happen without causing any hazardous impact on the environment. The same is the case with plastic waste. Disposal of empty bottles of packaged drinking water used within the organisation are separately collected and disposed off through appropriate disposal mechanism.

NSDL eGov provides various G2C services. Almost all these services can be availed by citizens/residents of the country from the comfort of their homes. As these services are available through internet or mobile apps, these remove the hassle of traveling to the point of service. This results into saving of fuel, which otherwise would have been consumed during such travel. In addition, all communication happens digitally through web-centric applications and emails. Therefore, printing is largely avoided except for where there are regulatory mandates. Avoidance of printing is directly linked to avoiding paper usage. This helps reduce consumption of natural resources required for manufacturing of paper.

ESG Initiatives – Social responsibility towards employees

NSDL eGov believes that any organisation stands on the foundation of its Human Capital, which consists of employees vendor support staff, etc. and which includes both technical and non-technical human resources. Unlike those organisations that discriminate between technical and non-technical human resources, NSDL eGov, right from its inception, has always been against any kind of discrimination.

The Company believes in recognising the talent of its employees and offers equal opportunity of growth – regardless of gender, caste, religion, sexual orientation, or any other discriminating factor. Compensation determination is also gender-neutral and consistently observed across grades. Merit and results have been the only criteria applied to identify and promote talent within the organisation.
At the same time, the Company also believes that those, who fall short in performance metrics, need the required training in order to do justice to their inherent potential. This is why the Company prepares organisation-wide skill development plan with the help of department heads. This training/skills building exercise is carried out across the year. The coverage is vast from technical/functional knowledge building to personality and communication development.

These too are offered uniformly to all, who need such training facilitating their future growth. NSDL eGov also encourages its employees to undertake professional courses and reimburses certain proportion of fees for such courses. This has resulted into many employees enrolling and completing high-end professional courses. NSDL eGov also has a formal policy and framework enabling Positive Work Environment, offering a confidential platform to those employees, who need such support.

NSDL eGov is a firm believer that wellbeing of employees positively contribute to the growth of the organisation and help minimise employee turnover. Thus, health and safety of employees is of paramount importance to this organisation. Therefore, provision of health insurance and accident insurance coverage has been a part of employee wellbeing from the inception of this organisation. Health/ hospitalisation coverage is not only provided to the employees but is also extended to their spouse and dependent children. Employees can also have dependent parents covered under this scheme.

NSDL eGov also understands the importance of graceful retirement. At that age, it is neither easy nor economically viable to avail a separate health cover. Realising the importance of having a proper health cover after retirement, NSDL eGov has offered a very unique facility of continuance of such insurance cover on payment of a small part of the premium. Further, it has provided the facility of pension, which is rare in private sector organisations.

NSDL eGov is well aware of the importance of health monitoring and preventive health care, after attaining a certain age. Hence, annual health check-up facility is provided to the employees and their spouses.

NSDL eGov has a well carved-out Staff Welfare Policy in place. Welfare programmes envisage inclusion of family members of employees. After all, the family needs to experience the warmth of the workplace, where their spouses/parents spend most of their waking hours. An annual monsoon picnic, an annual party and several cultural activities are scheduled for employees to bring their families, enabling a platform for social networking with colleagues and peers. Here too NSDL eGov does not lose the opportunity to recognise merit and reward the same. Children, of employees, who exhibitacademic potential with exceptionally good grades, are felicitated during the annual events. In addition, employees show amazing creativity during department/functional unit level cultural competitions organised during festival season. The spouse of a senior staff member is invited as the judge and announce the various winners.

These initiatives not only contribute toward fulfilling the social responsibility, but also enable a harmonious culture within the organisation. A progressive and socially responsible organisation cannot deprive its staff members, who wish to demonstrate their talent in sports. Therefore, the Company organises an annual sports competition for both indoor and outdoor sports.

Women empowerment has been always a priority for NSDL eGov. Apart from offering equal opportunities, pay scale parity and merit-based growth within the organisational hierarchy, NSDL eGov has not lost sight to acknowledge the cause of women at every opportunity. Thus, in spite of the pandemic being at its peak, Women's Day was celebrated through a VC Platform.

ESG Initiatives – Social responsibility during Pandemic

The last 18 months have been the worst nightmare for almost everyone. We have heard about many losing their lives. Many of us have even lost our near and dear ones. As if anxiety and fear were not sufficient, many had to go through financial crisis because of job loss, or reduced salaries, and depletion of savings. NSDL eGov, despite experiencing a certain hit on its revenue, did not lay off any of its direct staff and even indirect staff such as vendor resources on account of its commitment to social responsibility. It also continued to pay employee remuneration without any deduction. NSDL eGov also rewarded deserving employees by effecting promotions at junior and mid-levels. The Company's intention was to provide encouragement to those who have been contributing to the growth of the company.

When securing vaccination slots was a struggle, NSDL eGov set up vaccination camps at its main offices for staff and family members. Appropriate management of the camp and proper allocation of slots helped in avoiding over-crowding and lesser wait time. For employees and their families in smaller offices, vaccination was arranged at paid vaccine centres, where the costs were reimbursed. NSDL eGov has also announced certain allowance to employees, who suffered due to Covid before or after vaccination.

Keeping in view the importance of maintaining emotional health of its employees, NSDL eGov also engaged a profession healthcare agency for employee health and wellness programme that offered 24X7 emotional counselling and doctor consultation to employees.

ESG Initiative - Social responsibility towards Society / community

NSDL eGov has always been fulfilling its Corporate Social Responsibility by identifying and supporting social causes, which it believed to be most deserving. The Company has focused in aiding education and health welfare. NSDL eGov offers scholarships to deserving students and donates computers to institutions that work for educating less privileged children. Various initiatives are taken towards promoting healthcare, sanitisation, standard education, special education and setting up homes and hostels for orphans, senior citizens and women.

NSDL eGov's business model also supports community upliftment and employment. The nature of business demands that the organisation provides a point of service even at remote places across the country. The Company is providing its services through 30,000-plus centres across the country. This has created thousands of employment opportunities. NSDL eGov has adopted a hierarchical administration structure that enables all employees to receive appropriate operational training, thereby developing skills. This kind of training and job exposure help them remain employable.

ESG Initiative – Responsible Governance

Governance is the backbone of any organisation. Depending on how the Governance structure evolves, organisations either withstand business and operational pressures, or topple and fall someday. NSDL eGov follows good corporate governance practices since its inception. The Company has been following ethical work practices at all levels within the organizational through its journey of two-and-a-half decades. 'Trust' has been the most valuable attribute of this organisation. Proper governance structure ensured that the value of this attribute was protected under all circumstances and at all levels. An enormous amount of time and effort are invested by the Company's Board and the management in reviewing, monitoring and ensuring that governance practice are at the highest level of rating.

Various polices such as Whistle Blower policy, gender equality and positive work culture as well as merit-based growth opportunity has been at the core of governance, when it came to ESG principles. Reputation and Digital Assets security are also focus areas for NSDL eGov. This is especially important as any organisation sustains for a longer period of time, if stakeholders are convinced that their investment will not be destroyed due to weak governance structure.

ESG Initative – Way forward

NSDL eGov believes in being an organisation for the future, which consistently strives to achieve Profit with Purpose. We have decided to adopt ESG principles and align ourselves with the UN SDGs in our Sustainability journey. The belief of being future-ready will bear fruition not just as mere compliance but in letter and spirit. It is, thus, pertinent for us to know where we are today in this journey, and make suitable changes to lead us to our goals. NSDL eGov has carried out a preliminary diagnostic assessment of its sustainability and ESG Impact through a third-party associate, which has its core expertise in the Impact, Sustainability and ESG domain.

The preliminary results were encouraging and hence, a more Comprehensive Impact Assessment has been undertaken. This exercise will provide us with empirical insights of our current performance across 250-plus parameters, highlight action points and also provide a roadmap for future planning. This exercise will also facilitate drawing up of a detailed plan to enable us to aggressively chase our desired goals. As an outcome, it is also envisaged that the organisation will be able to demonstrate its commitment and progress towards the UN SDGs by aligning with global ESG principles.

In future, NSDL eGov endeavors to be a pioneer in adopting Impact weighted accounting practices and head steadily towards the Net Zero commitment.

STANDALONE FINANCIAL STATEMENT


Financial

INDEPENDENT AUDITOR'S REPORT

To the Members of
NSDL e-Governance Infrastructure Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of NSDL e-Governance Infrastructure Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, 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 ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner 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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's board report, but does not include the financial statements and our auditors' report thereon. The Board report is expected to be made available to us after the date of the auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available and in doing so consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. (A) As required by Section 143(3) of the Act, we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
    e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

    (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements;
    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
    iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

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

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

Shabbir Readymadewala
Partner
Membership No. 100060
ICAI UDIN: 21100060AAAABX9877

Place: Mumbai
Date: May 7, 2021

NSDL e-Governance Infrastructure Limited

Annexure A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report the following:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period of two years by the management. In our opinion, this frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. During the current year, due to the outbreak of COVID-19 pandemic (refer note 36), physical verification of fixed assets could not be performed. Subsequent to the balance sheet date, the Company has carried out physical verification of all its fixed assets. No material 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 included in fixed assets are held in the name of the Company.

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

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

(iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loans or provided any guarantee or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act with respect to investments made by the Company.

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services Tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues in respect of Income Tax and Goods and Services Tax which have not been deposited on account of any dispute. The dues of Central Sales Tax and Value Added Tax as disclosed below have not been deposited by the Company on account of disputes as at 31 March 2021:

Name of the Statute	Nature of the Dues	Amount (Rs In lakhs)	Period to which the amount relates	Forum where dispute is pending
The Maharashtra Value Added Tax Act, 2002	Sales Tax, Interest and Penalty	2,118#	2015-2016	Appellate Tribunal
Central Sales Tax Act, 1956	Central Sales Tax, Interest and Penalty	3.20	2015-2016	Appellate Tribunal

These amounts are net of amount paid under protest of Rs. 142 lakhs

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

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

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

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

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

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

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

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

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

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060
ICAI UDIN: 21100060AAAABX9877

Place: Mumbai
Date: May 7,2021

Annexure B to the Independent Auditors' report on the standalone financial statements of NSDL e-Governance Infrastructure Limited for the year ended 31 March 2021

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

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of NSDL e-Governance Infrastructure Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone 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 standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the 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.

Auditors' Responsibility

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

Meaning of Internal Financial controls with Reference to financial statements

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

Inherent Limitations of Internal Financial controls with Reference to financial statements

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

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060
ICAI UDIN: 21100060AAAABX9877

Place: Mumbai
Date: May 7, 2021

Balance Sheet as at 31 March 2021

Currency : (₹ in Lakhs)

			Note	As at 31.03.2021	As at 31.03.2020
		Assets			
1	**Non-current assets**				
	a	Property, plant and equipment	2	**4,938**	4,855
	b	Capital work-in-progress		**142**	543
	c	Right-of-use assets	27	**610**	1,461
	d	Other intangible assets	2	**133**	39
	e	Financial assets			
	i	Investments	4	**27,670**	38,492
	ii	Other financial assets	5	**2,039**	2,200
	f	Income tax assets (net)	6	**2,767**	2,567
	g	Deferred tax assets (net)	6	**901**	249
	h	Other non-current assets	7	**361**	229
	Total non-current assets			**39,561**	50,635
2	**Current assets**				
	a	Financial assets			
	i	Investments	8	**1,144**	2,120
	ii	Trade receivables	9	**19,774**	21,071
	iii	Cash and cash equivalents	10	**7,046**	4,099
	iv	Other bank balances (bank balances other than iii above)	11	**4,170**	907
	v	Other financial assets	5	**1,908**	2,165
	b	Other current assets	7	**4,476**	4,798
	Total current assets			**38,518**	35,160
3	**Assets held for sale**		3	**8,240**	8,240
		Total assets		**86,319**	94,035

Balance Sheet as at 31 March 2021

Currency : (₹ in Lakhs)

			Note	As at 31.03.2021	As at 31.03.2020
		Equity and liabilities			
1	**Equity**				
	a	Equity share capital	12	**4,014**	4,001
	b	Other equity	13	**62,816**	71,379
				66,830	75,380
2	**Liabilities**				
	Non-current liabilities				
	a	Financial liabilities			
		Lease liabilities	27	**186**	668
	b	Provisions	16	**1,347**	986
	c	Other non-current liabilities	17	**112**	164
	Total non-current liabilities			**1,645**	1,818
	Current liabilities				
	a	Financial liabilities			
	i	Lease liabilities	27	**433**	722
	ii	Trade payables			
		Dues of micro enterprises and small enterprises	14 & 30	**1,671**	606
		Dues of creditors other than micro enterprises and small enterprises	14	**8,210**	8,272
	iii	Other financial liabilities (Other than provisions in ("b") below)	15	**1,527**	1,796
	b	Provisions	16	**1,035**	965
	c	Other current liabilities	17	**4,968**	4,476
	Total current liabilities			**17,844**	16,837
	Total equity and liabilities			**86,319**	94,035
Summary of significant accounting policies and The accompanying notes are an integral part of the financial statements.			1 to 36		

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date : May 7, 2021

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

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : Mumbai
Date : May 7, 2021

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2021

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

	Note	For the year ended 31.03.2021	For the year ended 31.03.2020
Income			
Revenue from operations	18	**60,313**	71,613
Other income	19	**4,902**	3,849
Total Income		**65,215**	75,462
Expenses			
Employee benefits expense	20	**7,527**	6,863
Finance costs	27	**94**	162
Depreciation and amortisation expense	2 & 27	**1,728**	2,747
Other expenses	21	**44,278**	49,962
Total Expenses		**53,627**	59,734
Profit before tax		**11,588**	15,728
Less : Tax expenses			
-- Current tax	6	**2,994**	3,764
-- Deferred tax	6	**(652)**	(160)
Total tax expenses		**2,342**	3,604
Profit for the year (A)		**9,246**	12,124
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the defined benefit liability / asset		**(286)**	(379)
Total Other Comprehensive Income (net of tax) (B)		**(286)**	(379)
Total Comprehensive Income (A+B)		**8,960**	11,745
Earnings per equity share			
Weighted average equity shares used in computing earnings per equity share			
-- Basic	22	**40,050,487**	40,005,469
-- Diluted	22	**40,085,730**	40,096,691
Earnings per equity share			
-- Basic (₹)		**23.08**	30.31
-- Diluted (₹)		**23.06**	30.24
Summary of significant accounting policies and the accompanying notes are an integral part of the financial statements.	1 to 36		

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place : **Mumbai**
Date : May 7, 2021

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Whole Time Director
DIN-07432517

Place : **Mumbai**
Date : May 7, 2021

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Statement of changes in Equity for the year ended 31 March 2021

Currency : (₹ in Lakhs)

A. EQUITY SHARE CAPITAL

Balance as at April 1, 2019	Changes in equity share capital during the year*	Balance as at March 31, 2020
4,000	-	4,001

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
4,001	13	4,014

B. OTHER EQUITY

Currency : (₹ in Lakhs)

Particulars	Other Equity						Total
	Reserves and Surplus			ESOP Reserve	Se-curity premi-um	Other Compre-hensive Income	
	Capital redemption reserve	General reserve	Retained earnings			Other items of comprehensive income	
Balance at the April 1, 2019	**2,500**	**39,843**	**20,438**	**347**	**16**	**(504)**	**62,640**
Profit for the year	-	-	12,124	-	-	-	**12,124**
Other comprehensive loss	-	-	-	-	-	(379)	**(379)**
Share based payment expense	-	-	-	121	-	-	**121**
Issue of shares on account of exercise of stock options	-	-	-	-	8	-	**8**
Dividend (including dividend distribution tax)	-	-	(3,135)	-	-	-	**(3,135)**
Balance at the March 31, 2020	**2,500**	**39,843**	**29,427**	**468**	**24**	**(883)**	**71,379**

Particulars	Other Equity #						Total
	Reserves and Surplus			ESOP Reserve	Security premium	Other Compre-hensive Income	
	Capital redemption reserve	General reserve	Retained earnings			Other items of comprehensive income	
Balance at the April 1, 2020	**2,500**	**39,843**	**29,427**	**468**	**24**	**(883)**	**71,379**
Profit for the year	-	-	9,246	-	-	-	**9,246**
Other comprehensive loss	-	-	-	-	-	(286)	**(286)**
Share based payment expense	-	-	-	130	-	-	**130**
Transfer from ESOP Reserve on exercise of stock options/ options unexercised	-	21	-	(128)	107	-	**-**
Issue of shares on account of exercise of stock options	-	-	-	-	394	-	**394**
Dividend	-	-	(18,047)	-	-	-	**(18,047)**
Balance at the March 31, 2021	**2,500**	**39,864**	**20,626**	**470**	**525**	**(1,169)**	**62,816**

Note:

 # Purpose of Reserve stated as follows:

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

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

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

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

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date : May 7, 2021

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

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : Mumbai
Date : May 7, 2021

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Cash Flows Statement
for the year ended 31 March 2021

Currency : (₹ in Lakhs)

		For the year ended 31.03.2021	For the year ended 31.03.2020
A)	**Cash flow from operating activities**		
	Profit before tax	**11,588**	15727
	Adjustments for :		
	Depreciation and amortisation	**1,728**	2,747
	Amortisation of premium / discount on Govt/Debt Securities	**113**	172
	Loss on sale /discard of assets (net)	**13**	1
	Lease modification	**(7)**	-
	Provision for doubtful debts	**2,920**	1,063
	Interest income on financial assets carried at amortised cost	**(2,627)**	(2,610)
	Interest income on bank deposits	**(245)**	(257)
	Share based payments to employees	**130**	121
	Finance costs	**94**	162
	Profit on sale of investments carried on amortised cost	**(523)**	(2)
	Dividend income	**(92)**	(163)
	Operating cash flow before changes in working capital	**13,092**	16,961
	Changes in working capital		
	Trade receivables	**(1,623)**	(3,945)
	Other financial assets and other assets	**323**	(1,817)
	Trade payables	**1,003**	(1,313)
	Other financial liabilities, other liabilities and provisions	**430**	503
	Cash generated from operations	**13,225**	10,389
	Income taxes paid	**(3,194)**	(5,011)
	Net cash generated from operating activities	**10,031**	5,378

Cash Flows Statement
for the year ended 31 March 2021

Currency : (₹ in Lakhs)

		For the year ended 31.03.2021	For the year ended 31.03.2020
B)	**Cash flow from investing activities**		
	Purchase of property plant and equipment and capital advances given	**(946)**	(1,219)
	Proceeds from sale of property, plant and equipment	**-**	3
	Interest received	**3,157**	2,403
	Dividend received	**92**	163
	Purchase of current investments	**(4,000)**	-
	Purchase of non-current investments (net of interest accrued upto date of purchase)	**-**	(6,073)
	Investment in subsidiaries	**(301)**	-
	Investment in fixed deposits	**(3,262)**	884
	Proceeds from sale of non-current investments	**10,408**	52
	Proceeds from sale of current investments	**6,100**	2,500
	Net cash generated from / (used in) investing activities	**11,248**	(1,287)
C)	**Cash flow from financing activities**		
	Proceeds from exercise of stock options	**407**	8
	Dividend paid	**(18,047)**	(2,600)
	Dividend distribution tax paid	**-**	(535)
	Lease liability paid	**(692)**	(804)
	Net cash used in financing activities	**(18,332)**	(3,931)
	Net increase in cash and cash equivalents at the end of the year	**2,947**	160
	Cash and cash equivalents at the beginning of the year	**4,099**	3,939
	Cash and cash equivalents at the end of the year	**7,046**	**4,099**

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 Flow as notified under Companies (Accounts) Rules, 2014 as amended from time to time.

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date : May 7, 2021

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

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : Mumbai
Date : May 7, 2021

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

NSDL e-Governance Infrastructure Limited

Notes to standalone financial statements

for the year ended 31st March 2021

Currency : (₹ in Lakhs)

1. Corporate information

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

The Company is a public limited company and domiciled in India. The address of the corporate office is 1st floor, Times Tower, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

The Board of Directors of the Company at its meeting held on 23 March 2021 consented to explore undertaking Offer for Sale (OFS)/ Initial Public Offer (IPO) of the equity shares of the Company.

The standalone financial statements for the year ended 31 March 2021 were approved by the Board of Directors and authorised for issue on 7 ay 2021

1.1 Summary of significant accounting policies :

a) Statement of compliance

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

b) Basis of preparation of standalone financial statements

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

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

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

c) Use of estimates

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

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

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

Defined benefit

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

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

Leases
The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease equires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the 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 Company's tax jurisdictions is only in India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

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

Fair value measurement of financial instruments

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

Interest income

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

Trade receivables

The Company estimates the un-collectability of accounts receivable by analysing historical payment patterns, 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 customer.

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.

Contract balances

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

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

i) Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.
ii) Revenue related to fixed price maintenance and support services contracts, where the Company is standing ready to provide services is recognized based on time elapsed mode and revenue is straight lined over the period of performance.
iii) Revenue from the sale of distinct internally developed software and manufactured systems and third party software is recognised at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software,
iv) these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
v) Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer.

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

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

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

Use of significant judgements in revenue recognition:

i) The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
ii) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as service level credits and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any

consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

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

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

e) Dividend income

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

f) Property, plant and equipment

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

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

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

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

The cost and related accumulated depreciation are eliminated from the 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.

g) Leases

The Company as a lessee

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

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

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

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

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

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

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

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

h) Depreciation

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

Depreciation on additions / deletions is provided on pro-rata basis from the date of acquisition/ up to the date of deletion.
Depreciation on assets is provided on the straight-line method using the rates based on the economic useful life of assets as estimated by the management but not being more than the limits specified in Schedule II of the Companies Act, 2013 as below:

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

Computer Software is amortized over a period of 2 years.

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

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

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 Company can demonstrate:

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

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

j) 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.

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 Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law were made to Recognised Provident Fund.

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

  Defined benefit Plans

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

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

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

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

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

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

m) Income Tax

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

Current tax

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

Deferred tax

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

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

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

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

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

n) Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the standalone financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. A contingent asset is neither recognised nor disclosed in the standalone financial statements.

o) Cash Flow statement

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

p) 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.

q) 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.

r) Financial instruments

Initial recognition

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

Subsequent measurement

Financial assets

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

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

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

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

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

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

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

Loans and receivables

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

Impairment of financial assets

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

Loans and receivables and derecognition of financial assets

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

Subsequent measurement

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. 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.

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.

s) 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.

t) Reclassifications

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

1.2 Recent Indian Accounting Standards (Ind AS)

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of Standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

2. Property, plant, equipments and intangible assets

Currency : (₹ in Lakhs)

Particulars	Property, Plant and Equipments								Other Intangible assets	
	Land Freehold	Building	Computers	Data and Telecommunication equipments	Electric installation	Office equipment	Furniture and fixtures	Total	Computer Softwares (others)	Total
Gross carrying value as of 1 April 2020	**-**	**5,291**	**7,439**	**1,799**	**485**	**884**	**680**	**16,578**	**4,857**	**4,857**
Additions	-	-	983	26	37	11	-	**1,057**	163	**163**
Deletions	-	-	-	-	-	-	-	**-**	-	**-**
Gross carrying value as of 31 March 2021	**-**	**5,291**	**8,422**	**1,825**	**522**	**895**	**680**	**17,635**	**5,020**	**5,020**
Accumulated depreciation as of 1 April 2020	**-**	**4,012**	**5,261**	**1,112**	**381**	**637**	**320**	**11,723**	**4,818**	**4,818**
Depreciation		21	672	151	17	65	48	**974**	69	**69**
Accumulated depreciation on deletions	-	-	-	-	-	-	-	**-**	-	**-**
Accumulated depreciation as of 31 March 2021	**-**	**4,033**	**5,933**	**1,263**	**398**	**702**	**368**	**12,697**	**4,887**	**4,887**
Carrying value as of 31 March 2021	**-**	**1,258**	**2,489**	**562**	**124**	**193**	**312**	**4,938**	**133**	**133**

Currency : (₹ in Lakhs)

Particulars	Property, Plant and Equipments								Other Intangible assets	
	Land Freehold	Building	Computers	Data and Telecommunication equipments	Electric installation	Office equipment	Furniture and fixtures	Total	Computer Softwares (others)	Total
Gross carrying value as of 1 April 2019	**1,574**	**9,422**	**6,727**	**1,806**	**1,283**	**2,692**	**1,231**	**24,735**	**4,827**	**4,827**
Additions	-	197	713	112	73	165	288	**1,548**	30	**30**
Transfer to assets held for sale	1,574	4,328	-	119	866	1,969	809	**9,665**	-	-
Deletions	-	-	1	-	5	4	30	**40**	-	-
Gross carrying value as of 31 March 2020	**-**	**5,291**	**7,439**	**1,799**	**485**	**884**	**680**	**16,578**	**4,857**	**4,857**
Accumulated depreciation as of 1 April 2019	**-**	**4,074**	**4,669**	**976**	**474**	**1,057**	**402**	**11,652**	**4,414**	**4,414**
Depreciation	-	92	593	179	97	446	123	**1,530**	404	**404**
Transfer to assets held for sale	-	154	-	43	190	862	176	**1,425**	-	-
Deletions	-	-	1	-	-	4	29	**34**	-	-
Accumulated depreciation as of 31 March 2020	**-**	**4,012**	**5,261**	**1,112**	**381**	**637**	**320**	**11,723**	**4,818**	**4,818**
Carrying value as of 31 March 2020	**-**	**1,279**	**2,178**	**687**	**104**	**247**	**360**	**4,855**	**39**	**39**

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

3. Assets held for sale

The Company has decided to sell its Data Centre unit at Bangalore. The Company has offered for sale the said unit to a third party, failing which the Company intends to float Request for Proposal (RFP) and invite bids in the coming year. The Company expects to complete the sale within one year from the balance sheet date. There are no liabilities associated with respect to the said assets held for sale. The particulars of the assets held for sale are as under:

Particulars	**WDV of assets as on 31.03.2021 (₹ in Lakhs)**	WDV of assets as on 31.03.2020 (₹ in Lakhs)
Land & Building	**5,749**	5,749
Furniture, fixture and office equipment's	**2,491**	2,491
Total	**8,240**	8,240

4. Non-current investments

Currency : (₹ in Lakhs)

Fully Paid Unquoted Equity Investments		Face value	As at 31 Mar, 2021		As at 31 March, 2020	
			Holdings as at	(₹ in Lakhs)	Holdings as at	(₹ in Lakhs)
A. Investment in Subsidairy Companies (at cost)						
1	NSDL E-Governance Account Aggregator Limited	₹ 10	2,999,994	**300**	-	-
2	NSDL E-Governance (Malaysia) Sdn Bhd*	MYR 1	510	-	510	-
3	NSDL Australia PTY Ltd	AUD 1	1,000	**1**	-	-
	Total (A)			**301**		-

*Represents value less than ₹ 0.5 lakhs.

		Rate of interest %	Year of maturity	No. of bonds/ debentures/share	Face value	As at 31 March, 2021 (₹ in Lakhs)	As at 31 March, 2020 (₹ in Lakhs)
B. Quoted Debt Securities Investments at amortised cost :							
Investment in Tax free bonds							
1	Indian Railway Finance Corporation Limited	8.10	2027	50,000	1,000	**534**	534
2	National Highway Authority of India Limited	8.30	2027	200,000	1,000	**2,182**	2,182
3	Indian Railway Finance Corporation Limited	7.34	2028	250,000	1,000	**2,574**	2,574
4	National Highway Authority of India Limited	8.50	2029	80,000	1,000	**800**	800
5	National Housing Bank	8.63	2029	7,220	5,000	**361**	361
6	Rural Electrification Corporation	8.63	2029	50,000	1,000	**500**	500
7	National Housing Bank	8.68	2029	40,000	5,000	**2,053**	2,053
8	National Thermal Power Corporation Limited	7.37	2035	6,246	1,000	**62**	62
9	Rural Electrification Corporation	7.21	2022	130	1,000,000	**1,329**	1,329
10	National Thermal Power Corporation Limited	7.15	2025	90	1,000,000	**912**	912
11	National Housing Bank	8.46	2028	40	1,000,000	**443**	443
12	Power Finance Corporation Limited	8.46	2028	150	1,000,000	**1,672**	1,672
13	Rural Electrification Corporation	8.46	2028	250	1,000,000	**2,894**	2,894
14	National Bank for Agriculture and Rural Devlopment	7.35	2031	50,000	1,000	**526**	1,578
15	National Hydroelectric Power Corporation Limited	8.67	2033	50,000	1,000	**634**	634
16	National Bank for Agriculture and Rural Devlopment	7.35	2031	100,000	1,000	**1,117**	1,117
17	Indian Renewable Energy Development Agency Limited	7.17	2025	270	1,000,000	**2,877**	2,877
18	National Highway Authority of India Limited	7.35	2031	100,000	1,000	**1,125**	1,125
19	National Highway Authority of India Limited	7.39	2031	50,000	1,000	**556**	556
20	Indian Railway Finance Corporation Limited	7.35	2031	150,000	1,000	**1,663**	1,663
21	National Bank for Agriculture and Rural Devlopment	7.35	2031	200,000	1,000	-	2,221
22	National Housing Bank	8.76	2034	20,000	5,000	**1,241**	1,241
23	National Housing Bank	8.68	2029	10,000	5,000	**591**	591
24	Power Finance Corporation Limited	7.21	2022	150	1,000,000	-	1,538
25	Power Finance Corporation Limited	9.10	2029	50	1,000,000	**512**	512
26	National Hydroelectric Power Corporation Limited	8.18	2023	50,000	1,000	**538**	538
27	National Thermal Power Corporation Limited	7.32	2029	150	150,000	-	1,476
28	National Thermal Power Corporation Limited	7.32	2029	250	250,000	-	2,489
29	Power Finance Corporation Limited	8.20	2022	100,000	1,000	-	1,084
30	Power Grid Corporation of India Limited	8.40	2029	100	1,000,000	-	1,059

Currency : (₹ in Lakhs)

		Rate of interest %	Year of maturity	No. of bonds/ debentures/share	Face value	As at 31 March, 2021 (₹ in Lakhs)	As at 31 March, 2020 (₹ in Lakhs)
B. Quoted Debt Securities Investments at amortised cost :							
Investment in non convertible debentures							
31	Power Finance Corporation Limited	9.36	2021	2	1,000,000	-	20
32	Housing Development and Finance Corporation Limited	9.40	2021	4	1,000,000	-	40
33	EXIM Bank Limited	9.25	2022	2	1,000,000	**20**	20
34	Rural Electrification Corporation	9.35	2022	4	1,000,000	**40**	40
35	Infrastructure Leasing & Finance Services Limited	9.55	2023	550	1,000	**6**	6
36	HDB Financial Services Limited	9.60	2023	2	1,000,000	**20**	20
37	HDB Finanacial Services Limited	10.19	2024	1	1,000,000	**10**	10
38	IDFC Bank Limited	8.80	2025	10	1,000,000	**100**	100
39	Indian Railway Finance Corporation Limited	9.09	2026	2	1,000,000	**20**	20
40	State Bank of India	9.95	2026	296	10,000	-	31
41	Power Finance Corporation Limited	8.94	2028	4	1,000,000	**41**	41
42	Indian Railway Finance Corporation Limited	8.79	2030	1	1,000,000	**10**	10
43	India Infrastructure Finance Company Limited	9.41	2037	5	1,000,000	**56**	56
						28,019	39,029
	Less : Amortisation of premium					**644**	531
	Less : Provision for impairment of assets					**6**	6
	Total (B)					**27,369**	38,492
	Total (A) + (B)					**27,670**	38,492
	Aggregate book value of quoted investments {Non-current + Current-(Note 8)}					28,513	40,612
	Aggregate market value of quoted investments {Non-current + Current-(Note 8)}					31,970	42,768

5. Other financial assets

(Unsecured considered good):

Currency : (₹ in Lakhs)

Particulars	Non-current		Current	
	31.03.2021 (₹ in Lakhs)	**31.03.2020 (₹ in Lakhs)**	**31.03.2021 (₹ in Lakhs)**	**31.03.2020 (₹ in Lakhs)**
Others				
Security deposits	**1,163**	1,260	**-**	-
Interest accrued on investments	**-**	-	**916**	1,243
Interest accrued on bank deposits	**49**	13	**52**	46
Restricted deposits with banks against performance guarantee	**785**	785	**-**	-
Loans to employees	**-**	2	**-**	-
Unbilled receivables	**42**	140	**940**	876
Total	**2,039**	2,200	**1,908**	2,165

6. Income taxes

(A) The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

Profit or loss section

Particulars	**31.03.2021 (₹ in Lakhs)**	31.03.2020 (₹ in Lakhs)
Current taxes	**2,994**	3,764
Deferred taxes	**(652)**	(160)
Income tax expense reported in the statement of profit or loss	**2,342**	3,604

Other Comprehensive Income (OCI) section

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

Particulars	**31.03.2021 (₹ in Lakhs)**	31.03.2020 (₹ in Lakhs)
Re-measurement of the defined benefit liability / asset	**-**	-
Total	**-**	-

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

Currency : (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Profit before income taxes	**11,588**	15,727
Applicable enacted tax rates in India	**25.17%**	25.17%
Computed expected tax expense	**2,917**	3,959
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	**(587)**	(643)
Expense not allowed for taxation purpose	**88**	288
Income taxable at different rate	**(76)**	-
Total income tax expense	**2,342**	3,604

(C) The movement in the current income tax asset/ (liability) for the year ended 31 March 2021 and 31 March 2020 is as follows:

Particulars	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Net current income tax asset/ (liability) at the beginning	**2,567**	1,320
Income tax paid	**3,194**	5,011
Current income tax expense	**(2,994)**	(3,764)
Net current income tax asset/ (liability) at the end	**2,767**	2,567

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

Particulars	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Deferred tax assets		
Provision for compensated absences	**358**	322
Provision for doubtful debts	**1,033**	268
Others	**19**	(43)
Total deferred tax assets	**1,410**	547
Deferred tax liabilities		
Difference between tax balance and book balance of fixed assets	**509**	267
Amortisation of revenue	**-**	13
Others	**-**	18
Total deferred tax liabilities	**509**	298
Deferred tax assets (net)	**901**	249

(E) The gross movement in the deferred tax account for the year ended 31 March 2021 and 31 March 2020 is as follows:

Currency : (₹ in Lakhs)

	31.03.2021			31.03.2020		
	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	**(267)**	**(241)**	**(508)**	(316)	49	(267)
Provision Provision for compensated absenses	**322**	**36**	**358**	375	(53)	322
Employee incentive payable	**(43)**	**43**	**-**	102	(145)	(43)
Deferred revenue	**(13)**	**12**	**(1)**	(68)	55	(13)
Provision of doubtful debts	**268**	**764**	**1,032**	42	226	268
Right of use assets and lease liabilities	**(18)**	**38**	**20**	-	(18)	(18)
Provision of gratuity	**-**	**-**	**-**	(46)	46	-
Total deferred tax assets/(liabilities)	**249**	**652**	**901**	89	160	249

7. Other assets

	Particulars	Non-current		Current	
		31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
(A)	**Capital advances**	**14**	14	**-**	-
(B)	**Advances to related parties**	**66**	42	**-**	-
(C)	**Other advances**				
	Prepaid expenses	**191**	42	**482**	782
	Deferred expenses	**90**	131	**243**	326
	GST credit receivable	**-**	-	**2,194**	1,807
	Advance to suppliers	**-**	-	**1,552**	1,851
	Others	**-**	-	**5**	32
	Total	**361**	**229**	**4,476**	4,798

8. Current investments

		As at 31 March, 2021					As at 31 March, 2020		
		Year of maturity	Rate of interest	No. of Units	Face Value	(₹ in Lakhs)	No. of Units	Face Value	(₹ in Lakhs)
Quoted debt securities investments at amortised cost :									
Non convertible debentures									
	Current portion of Non convertible debentures								
1	Housing Devlopment and Finance Corporation Limited	2021	9.40	4	1,000,000	40	-	-	-
2	Power Finance Corporation Limited	2021	9.36	2	1,000,000	20	-	-	-
3	Power Finance Corporation Limited	2022	8.20	100,000	1,000	1,084	-	-	-
4	Housing Devlopment and Finance Corporation Limited	2020	8.79	-	-	-	2	1,000,000	20
Investments carried at fair value through profit or loss :									
Liquid Mutual funds									
1	Units of Axis Liquid Fund - Institutional Daily Dividend Reinvestment			-	-	-	52,576	1,001	526
2	Units of UTI Liquid Cash Plan Fund - Institutional Plan (Daily Dividend Option)			-	-	-	51,592	1,019	526
3	LIC MF Liquid Fund- Daily Dividend Reinvestment			-	-	-	47,935	1,098	526
4	ICICI Prudential Liquid Plan- Daily Dividend Reinvestment			-	-	-	521,726	100	522
	Total					**1,144**			**2,120**

9. Trade receivables

Currency : (₹ in Lakhs)

Particulars	Current	
	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Trade Receivables	**23,757**	22,134
Less: Allowance for doubtful trade receivables	**3,983**	1,063
Considered good	**19,774**	21,071
Trade Receivables	**119**	119
Less: Allowance for doubtful trade receivables	**119**	119
Credit Impaired	-	-
Total	**19,774**	**21,071**

10. Cash and cash equivalents

Particulars	Current	
	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Cash and cash equivalents		
Cash on hand	**1**	1
Balances with banks in current accounts	**7,045**	4,098
Total	**7,046**	4,099

11. Other bank balances

Particulars	Current	
	31.03.2021 (₹ in Lakhs)	31.03.200 (₹ in Lakhs)
Bank deposits with original maturity for more than 3 months but less than 12 months	**4,170**	907
Total	**4,170**	**907**

12. Equity share capital

Currency : (₹ in Lakhs)

Particulars	Non-current	
	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Authorised		
500,000,000 (31 March 2020: 500,000,000) equity shares of ₹10 each	**50,000**	50,000
Issued, Subscribed and Paid-up		
40,139,462 (31 March 2020: 40,007,981) equity shares of ₹10 each fully paid up	**4,014**	4,001
Total	**4,014**	**4,001**

a) Reconciliation of number of shares

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount (₹ in Lakhs)	Number of shares	Amount (₹ in Lakhs)
Equity shares				
Opening balance	**40,007,981**	**4,001**	40,005,300	4,001
Issued during the year	**131,481**	**13**	2,681	-*
Closing balance	**40,139,462**	**4,014**	**40,007,981**	**4,001**

*Represents value less than ₹0.5 lakhs.

b) Rights, preferences and restrictions attached to shares

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

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Numbers of shares held	% of holding	Numbers of shares held	% of holding
NSE Investments Limited	**10,018,000**	**24.96**	10,018,000	25.04
IIFL Special Opportunities Fund	**2,894,507**	**7.21**	2,894,507	7.24
Administrator of Specified Undertaking of Unit Trust of India	**2,732,000**	**6.81**	2,732,000	6.83
IIFL Special Opportunities Fund – Series 4	**2,499,178**	**6.23**	2,499,178	6.25
IIFL Special Opportunities Fund – Series 2	**2,016,366**	**5.02**	2,016,366	5.04

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

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

13. Other equity

Currency : (₹ in Lakhs)

		31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
a)	**Capital redemption reserve**		
	Balance at the beginning	**2,500**	2,500
	Balance at the end of the year	**2,500**	2,500
b)	**General reserve**		
	Balance at the beginning	**39,843**	39,843
	Transfer from ESOP Reserve on options unexercised	**21**	-
	Balance at the end of the year	**39,864**	39,843
c)	**Retained earnings**		
	Balance at the beginning	**29,427**	20,438
	(i) Dividend	**(18,047)**	(3,135)
	(ii) Profit for the year	**9,246**	12,124
	Balance at the end of the year	**20,626**	29,427
d)	**Other comprehensive income**		
	Balance at the beginning	**(883)**	(504)
	Re-measurement of the defined benefit net liability / asset	**(286)**	(379)
	Balance at the end of the year	**(1,169)**	(883)
e)	**ESOP reserve**		
	Balance at the beginning	**468**	347
	(i) Share based payment expense	**130**	121
	(ii) Transfer to General Reserve/Securities Premium on exercise of stock options/options unexercised	**(128)**	-
	Balance at the end of the year	**470**	468
f)	**Securities premium**		
	Balance at the beginning	**24**	16
	(i) Issue of shares to employees on account of exercise of stock options	**394**	8
	(ii) Transfer from ESOP Reserve on exercise of stock options	**107**	-
	Balance at the end of the year	**525**	24
	Total	**62,816**	71,379

14. Trade payables

Currency : (₹ in Lakhs)

Particulars		Current	
		31.03.2021 (₹ in Lakhs)	**31.03.2020 (₹ in Lakhs)**
Trade payables			
	Dues of micro enterprises and small enterprises	**1,671**	606
	Dues of creditors other than micro enterprises and small enterprises	**8,210**	8,272
	Total	**9,881**	8,878

15. Other financial liabilities

Particulars	Current	
	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Creditors for capital expenditure	**237**	351
Directors' commission payable	**89**	122
Employee benefits payable	**98**	42
Employee incentives payable	**917**	1,126
Other liabilities	**186**	155
Total	**1,527**	1,796

16. Provision

Particulars	Non-current		Current	
	31.03.2021 (₹ in Lakhs)	**31.03.2020 (₹ in Lakhs)**	**31.03.2021 (₹ in Lakhs)**	**31.03.2020 (₹ in Lakhs)**
Provision for gratuity	**-**	-	**961**	672
Provision for compensated absences	**1,347**	986	**74**	293
Total	**1,347**	**986**	**1,035**	**965**

17. Other liabilities

Currency : (₹ in Lakhs)

Particulars	Non-current		Current	
	31.03.2021 (₹ in Lakhs)	**31.03.2020 (₹ in Lakhs)**	**31.03.2021 (₹ in Lakhs)**	**31.03.2020 (₹ in Lakhs)**
Advances from customers	**-**	-	**1,696**	995
Deferred revenue	**112**	164	**304**	407
Statutory dues payable:				
Goods and services tax payable	**-**	-	**796**	801
TDS payable	**-**	-	**458**	250
Other statutory liabilities	**-**	-	**77**	54
Income received in advance	**-**	-	**1,637**	1,969
Total	**112**	164	**4,968**	4,476

18. Revenue from operations

Particulars	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Revenue disaggregation by nature of services is as follows:		
Sale of services		
Transaction fees	**44,132**	56,963
Accounts maintenance fees	**16,069**	14,175
Other operational income	**112**	475
Total	**60,313**	**71,613**

Information about major customers:

No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2021 and March 31, 2020. 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.

The table below discloses the movement in contract liabilities during the year ended 31 March 2021 and 31 March 2020

	31.03.2021	31.03.2020
Balance at the beginning of the year	3,535	4,295
Add: Invoices raised/advance received for which no revenue is recognised during the year	3,082	2,925
Less: Revenue recognised that was included in the contract liabilities at the beginning of the year	(2,868)	(3,685)
Balance at the end of the year	3,749	3,535

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

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

Particulars	31.03.2021	31.03.2020
Contracted price with the customers	60,313	71,613
Less/Add: Adjustments	-	-
Revenue from contracts with customers (as per Statement of Profit and Loss)	60,313	71,613

Practical expedients used

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

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

19. Other income

Currency : (₹ in Lakhs)

Particulars	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Interest income		
On interest on financial assets carried at amortised cost	**2,627**	2,505
On bank deposits	**245**	190
On overdue trade receivables	**1,108**	677
On security deposits	**83**	75
Dividend income	**92**	163
Support charges	**75**	66
Rent income	**149**	171
Miscellaneous income	**-**	2
Profit on sale of investments carried on amortised cost	**523**	-
Total	**4,902**	3,849

20. Employee benefits expenses

Particulars	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Salaries, wages and bonus	**6,425**	5,762
Share based payment expense	**130**	121
Contribution to provident and other funds	**804**	699
Staff welfare expenses	**168**	281
Total	**7,527**	6,863

21. Other expenses

Currency : (₹ in Lakhs)

Particulars	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Rent	**40**	112
Communication expenses	**936**	793
Travelling and conveyance expenses	**84**	651
Annual fees	**1,063**	933
Processing charges	**31,368**	38,457
Repairs and maintenance		
- To buildings	**266**	294
- To computers, trading and telecommunication systems	**5,299**	5,545
- To others	**131**	85
Insurance	**158**	148
Rates and taxes	**183**	99
Advertisement and publicity	**33**	110
Legal and professional fees	**424**	435
Printing and stationery expenses	**7**	19
Payment to auditor (refer note below)	**40**	31
Electricity charges / power fuel	**328**	372
Directors' sitting fees	**36**	30
Directors' commission	**89**	122
Provision for doubtful debts	**2,920**	1,063
Loss on sale /discard of assets (net)	**13**	1
Expenditure incurred on CSR activities (refer note 31)	**576**	181
Miscellaneous expenses	**284**	481
Total	**44,278**	49,962
Note :		
Payment to auditor		
As auditor:		
Audit fees	**27**	27
Tax audit fee	**2**	2
In other capacity:		
Certification matters	**6**	6
Limited review	**5**	5
Total	**40**	40

22. Earnings Per Share

Currency : (₹ in Lakhs)

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

	Particulars	31.03.2021	31.03.2020
Net profit attributable to shareholders			
	Profit before tax	**11,588**	15,728
	Tax expense	**2,342**	3,604
	Profit after tax	**9,246**	12,124
	Weighted average number of equity shares for basic EPS	**4,00,50,487**	4,00,05,469
	Basic earnings per share of ₹ 10/- each (in ₹)	**23.08**	30.31
	Weighted average number of equity shares for diluted EPS	**4,00,85,730**	4,00,96,691
	Diluted earnings per share of ₹ 10/- each (in ₹)	**23.06**	30.24

23. Financial Instruments

23.1 Financial instruments by category

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

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	4,099	-	-	-	-	4,099	4,099
Investments (other than in subsidiary)							
Tax free bonds	38,083	-	-	-	-	38,083	38,083
Liquid mutual fund units	2,100	-	2,100	-	-	2,100	2,100
Non convertible debentures	429	-		-	-	429	429
Trade receivables	21,071	-	-	-	-	21,071	21,071
Other financial assets	5,272	-	-	-	-	5,272	5,272
Total	71,054	-	2,100	-	-	71,054	71,054
Liabilities:							
Lease liabilities	1,390	-	-	-	-	1,390	1,390
Trade payables	8,878	-	-	-	-	8,878	8,878
Other financial liabilities	1,796	-	-	-	-	1,796	1,796
Total	12,064	-	-	-	-	12,064	12,064

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

Currency : (₹ in Lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated Upon Initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents	7,046	-	-	-	-	7,046	7,046
Investments (other than in subsidiary)							
Tax free bonds	27,051	-	-	-	-	27,051	27,051
Liquid mutual fund units	-	-	-	-	-	-	-
Non convertible debentures	1,462	-		-	-	1,462	1,462
Trade receivables	19,774	-	-	-	-	19,774	19,774
Other financial assets	8,117	-	-	-	-	8,117	8,117
Total	63,450	-	-	-	-	63,450	63,450
Liabilities:							
Lease liabilities	619					619	619
Trade payables	9,881	-	-	-	-	9,881	9,881
Other financial liabilities	1,527	-	-	-	-	1,527	1,527
Total	12,027	-	-	-	-	12,027	12,027

23.2 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

Particulars	As of 31 March 2020	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units		2,100	-	-
Investments in tax free and government bonds		-	38,083	-
Investments in non convertible debentures		429	-	-

Particulars	As of 31 March 2021	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units		-	-	-
Investments in tax free and government bonds		-	27,051	-
Investments in non convertible debentures		1,462	-	-

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

23.3 Financial risk management

Financial risk factors

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

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹19,974 lakhs and ₹ 21,071 lakhs as of 31 March 2021 and 31 March 2020, respectively. Trade receivables is typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

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

Particulars	31 March 2021	31 March 2020
Revenue from top customer	5	5
Revenue from top five customers	15	13

Credit risk exposure

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

Particulars	31 March 2021	31 March 2020
Balance at the beginning	1,182	119
Amounts written off	-	-
Net remeasurment of loss allowance	2,920	1,063
Balance at the end	4,102	1,182

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

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

Expectedcreditloss (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.”

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

Liquidity risk

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

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

Currency : (₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Current assets	38,518	35,160
Current liability	17,844	16,837
Working capital	20,674	18,323
Cash and cash equivalents	7,046	4,099
Investments	1,144	2,120

As of 31 March 2020 and 31 March 2021, the outstanding employee benefit obligations were ₹ 672 lakhs and ₹ 961 lakhs (refer note no 16 and 24) respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

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

Particulars	"Less than 1 year"	1-2 years	3-7 years	Total
Trade payables	9,881	-	-	9,881
Lease liabilities	471	191		662
Other financial liabilities	1,527	-	-	1,527

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

Particulars	"Less than 1 year"	1-2 years	3-7 years	Total
Trade payables	8,878	-	-	8,878
Lease liabilities	822	521	191	1,534
Other financial liabilities	1,796	-	-	1,796

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

i) Defined contribution plan:

(a) The Company's contribution towards superannuation amounts to ₹ 184 Lakhs (31 March 2020: ₹ 155 lakhs). 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 ₹ 254 Lakhs (31 March 2020 - ₹ 234 Lakhs).

ii) Defined benefit plan :

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

(i) Assumptions:

Particulars	31.03.2021	31.03.2020
Weighted average duration of the projected benefit obligation	**11**	9
Discount rate	**6.80%**	6.87%
Rate of return on plan assets	**6.80%**	6.87%
Salary escalation	**8.00%**	8.00%
Attrition rate	**5.00%**	5.00%

(ii) Sensitivity analysis

Currency : (in Lakhs)

Particulars	31.03.2021	31.03.2020
Delta effect of +1% change in rate of discounting	(371)	(323)
Delta effect of -1% change in rate of discounting	433	378
Delta effect of +1% change in rate of salary increase	424	370
Delta effect of -1% change in rate of salary increase	(371)	(323)
Delta effect of +1% change in rate of employee turnover	(39)	(33)
Delta effect of -1% change in rate of employee turnover	44	37

(iii) Table showing change in benefit obligation:

Currency : (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Liability at the beginning of the year	**4,398**	3,568
Interest cost	**300**	277
Current service cost	**304**	268
Benefits paid	**(853)**	(79)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	**28**	290
Actuarial (gains)/losses on obligations - due to experience	**201**	74
Liability at the end of the year	**4,378**	4,398

(iv) Table showing fair value of plan assets:

Currency : (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Fair value of plan assets at the beginning of the year	**3,726**	3,287
Interest income	**255**	255
Contributions	**346**	278
Benefits paid	**(853)**	(79)
Actuarial gain / (loss) on plan assets	**(57)**	(15)
Fair value of plan assets at the end of the year	**3,417**	3,726

(v) Amount recognised in the Balance Sheet

Currency : (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Fair value of plan assets as at the end of the year	**3,417**	3,726
Liability as at the end of the year	**4,378**	4,398
Net (liability) disclosed in the Balance Sheet	**(961)**	(672)

(vi) Net interest cost for current year

Currency : (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Interest cost	**300**	277
Interest income	**(255)**	(255)
Net interest cost for current year	**45**	22

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

Currency : (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Current service cost	**304**	268
Net interest cost	**45**	22
Expenses recognised in the Statement of profit and loss	**349**	290

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

Currency : (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Expected return on plan assets	**57**	15
Actuarial (gain) / loss	**229**	364
Net (income)/expense for the year recognized in OCI	**286**	379

(ix) Balance sheet reconciliation

Currency : (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Opening net liability	**672**	280
Expenses recognized in statement of profit and loss	**349**	291
Expenses recognized in OCI	**286**	379
Employers contribution	**(346)**	(278)
Amount recognised in the balance sheet	**961**	672

(ix) Balance sheet reconciliation

Currency : (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Opening net liability	**672**	280
Expenses recognized in statement of profit and loss	**349**	291
Expenses recognized in OCI	**286**	379
Employers contribution	**(346)**	(278)
Amount recognised in the balance sheet	**961**	672

(x) Category of assets

Currency : (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
LIC of India - Insurer managed funds	**3,417**	3,726
Total	**3,417**	3,726

(xi) Expected contribution for next year

Currency : (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Expected contribution for next year	287	284
Total	**287**	284

(xii) Maturity Analysis of the Benefit Payments

Currency : (₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	**205**	882
2nd Following Year	**273**	180
3rd Following Year	**563**	240
4th Following Year	**205**	499
5th Following Year	**287**	177
Sum of Years 6 To 10	**1,641**	1,404
Sum of Years 11 and above	**6,306**	5,586

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

Particulars	2020-21	2019-20	2018-2019	2017-2018	2016-2017
Present value of the defined benefit obligation	4,378	4,398	3,568	3,070	2,605
Fair value of the plan assets	3,417	3,726	3,284	2,737	2,192
Deficit in the plan	961	672	284	333	413
Experience adjustments arising on					
- plan assets	-	-	-	-	-
- plan liabilities loss / (gain)	201	74	50	154	133

25. Segment Reporting

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

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

26. Related Party Transactions

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

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

Related party
a. Entities having substantial interest
IIFL Special Opportunities Fund (from February 16, 2018)
NSE Investments Limited (erstwhile NSE Strategic Investments Corporation Limited) (from October 1, 2013)
b. Key Managerial Personnel
Mr. Gagan Rai - Managing Director & Chief Executive Officer (upto February 17, 2021)
Mr Suresh Sethi - Managing Director & Chief Executive Officer (From February 18, 2021)
Mr. Jayesh Sule - Whole Time Director & Chief Operating Officer
Mr. Tejas Desai - Chief Financial Officer
Mr.Maulesh Kantharia - Company Secretary
c. Subsidiaries
NSDL e-Governance(Malaysia) SDN BHD
NSDL e-Governance Australia Pty Ltd (from 9 December, 2020)
NSDL e-Governance Account Aggregator Limited (from 2 November 2020)

(b) Details of transactions with related parties are as follows :

(₹ in Lakhs)

	2020-21			2019-20		
Nature of transactions	**Key Managerial Personnel**	**Subsid-iaries**	**Entities having substantial interest**	**Key Managerial Personnel**	**Subsid-iaries**	**Entity having substantial interest**
Dividend paid						
IIFL Special Opportunities Fund	-	-	5,400	-	-	780
NSE Investments Limited	-	-	4,508	-	-	651
Mr Gagan Rai	28	-	-	-	-	-
Mr Jayesh Sule	5	-	-	-	-	-
Mr Tejas Desai	3	-	-	-	-	-
Mr.Maulesh Kantharia	1	-	-	-	-	-
Remuneration paid						
Mr Gagan Rai	1,008	-	-	511	-	-
Mr Jayesh Sule	287	-	-	261	-	-
Mr Suresh Sethi	21	-	-	-	-	-
Mr Tejas Desai	84	-	-	67	-	-
Mr.Maulesh Kantharia	30	-	-	27	-	-
Advances given						
NSDL e-Governance Australia Pty Ltd	-	24	-	-	-	-
NSDL e-Governance Account Aggregator Limited	-	6	-	-	-	-
Investment in subsidiaries						
NSDL e-Governance(Malaysia) SDN BHD *	-	-	-	-	-	-
NSDL e-Governance Australia Pty Ltd	-	1	-	-	-	-
NSDL e-Governance Account Aggregator Limited	-	300	-	-	-	-
Share based payment						
Mr Gagan Rai	107	-	-	98	-	-
Mr Suresh Sethi	95	-	-	-	-	-
Mr Jayesh Sule	56	-	-	51	-	-
Mr Tejas Desai	17	-	-	15	-	-
Mr.Maulesh Kantharia	7	-	-	6	-	-
Closing balance						
Advances given						
NSDL e-Governance(Malaysia) SDN BHD	-	42	-	-	42	-
NSDL e-Governance Australia Pty Ltd	-	24	-	-	-	-
Investment in subsidiaries						
NSDL e-Governance(Malaysia) SDN BHD *	-	-	-	-	-	-
NSDL e-Governance Australia Pty Ltd	-	1	-	-	-	-
NSDL e-Governance Account Aggregator Limited	-	300	-	-	-	-

*Represents value less than ₹ 0.5 lakhs.

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

27 Leases:

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

(₹ in Lakhs)

Particulars	As at 31 March 2021 (₹ in Lakhs)	As at 31 March 2020 (₹ in Lakhs)
Balanace as of 1 April 2020	**1,461**	-
Reclassified on account of adoption of Ind AS 116	-	2,274
Termination	**166**	-
Depreciation	**685**	813
Balance as of 31 Mar 2021	**610**	1,461

The aggregate depreciation expense on right-of-use assets is included in depreciation and amoritization 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:

Particulars	As at 31 March 2021 (₹ in Lakhs)	As at 31 March 2020 (₹ in Lakhs)
Current lease liabilities	**433**	722
Non-current lease liabilities	**186**	668
Total	**619**	1,390

The following is the movement in lease liabilities:

Particulars	As at 31 March 2021 (₹ in Lakhs)	As at 31 March 2020 (₹ in Lakhs)
Balance as of 1 April 2020	**1,390**	-
Reclassified on account of adoption of Ind AS 116	-	2,032
Additions		
Finance cost accrued during the period	**94**	162
Deletions		
Termination	**173**	-
Payment of lease liabilities	**692**	804
Balance as of 31 March 2021	**619**	1,390

Interest on lease liabilities is ₹ 162 lakhs for the year ended on 31 March 2020 and ₹ 94 for the year ended on 31 March 2021.

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

(₹ in Lakhs)

Particulars	As at 31 March 2021 (₹ in Lakhs)	As at 31 March 2020 (₹ in Lakhs)
Less than one year	471	822
One to five years	191	521
More than five years	-	191
Total	662	1,534

Rental expense recorded for short-term leases and low- value assets was ₹ 40 lakhs for the year ended 31 March 2021 and ₹ 112 Lakhs for the year ended 31 March 2020

The total cash outflow for leases is ₹ 732 lakhs for the year ended 31 March 2021 and ₹ 916 lakhs for the year ended 31 March 2020, including cash outflow of short-term leases and leases of low-value assets.

28. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 25 lakhs (31 March 2020: ₹ 299 lakhs)

29. Contingent liability:

(i) Claims against the Company not acknowledged as debts: ₹ 99 lakhs (31 March 2020 : ₹ 99 lakhs) (net) #

(ii) On account disputed demand raised by Sales tax officer for MVAT and CST: ₹ 2,263.20 lakhs (31 March 2020 ₹ 2,263.20 lakhs) @ Management considers below claims/demands are not tenable against the Company, and therefore no provision for this contingency has been established.

MVAT payable to seller on purchase of Times Tower premises

@ Demand raised by sales tax officer for MVAT and CST payable on services provided by Company. The Company has filed an appeal with Sales Tax Tribunal and paid a deposit of Rs 142 lakhs under protest. The amounts assessed as contingent liability do not include interest that could be claimed by the authorities.

30. Details of dues to Micro and Small, Medium Enterprises as defined under the MSMED Act, 2006

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

(₹ in Lakhs)

Particulars	31.03.2021	31.03.2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-- Principal	1,671	606
-- Interest		
Amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

31. Employee Stock Option Plan

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

Grant date	Exercise Price	Options granted	Options vested and Exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
December 4, 2017	310.00	3,96,192	1,70,326	62,393	1,39,462	24,011	2,32,719
September 18, 2020	310.00	20,000	-	20,000	-	-	20,000
December 3, 2020	310.00	40,000	-	40,000	-	-	40,000
Total		**4,56,192**	**1,70,326**	**1,22,393**	**1,39,462**	**24,011**	**2,92,719**

Movement of stock options during the year

Particulars	For the year ended 31 March 2021				For the year ended 31 March 2020			
	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 contrac-tual life (Years)
Outstanding at the beginning of the year	3,80,492	310	310	3.03	3,85,857	310	310	4.03
Granted during the year	60,000	310	310	3.94	-	-	-	-
Forfeited during the year	-16,294	310	310	-	-2,682	310	310	-
Exercised during the year	-1,31,481	310	310	-	-2,681	310	310	-
Rounding off difference	2	-	-	-	-2	-	-	-
Outstanding at the end of the year	2,92,719	310	310	2.68	3,80,492	310	310	3.03
Exercisable at the end of the year	1,70,326	310	310	1.87	2,09,392	310	310	2.19

The weighted average remaining contractual life for the share options outstanding as at March 31,2021 was 2.67 years (March 31 2020 : 3.03 years). The weighted average share price for the options exercised during the year was Rs. 310 (March 31 2020 : Rs 310). Maximum Term of the options is 7 Years.

The weighted average fair value of the options granted during the year was Rs. 295 (March 31 2020 : Nil). The weighted average share price for the options granted during the year was Rs. 468 (March 31 2020 : Rs. Nil).

Significant assumptions used to estimate the fair value of options:

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

There is no options granted during the year 2019-20.

32. 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 2020-21 is ₹ 360 lakhs (31 March 2020: ₹ 371 lakhs).

b) Amount spent during the year: *(₹ in Lakhs)*

Particulars	Amount paid	Paid in subsequent period	Yet to be paid	Total
31 March 2020				
Construction / acquisition of any asset	-	-	-	-
On above purpose	181	190	-	469
31 March 2021				
Construction / acquisition of any asset	-	-	-	-
On above purpose	386	-	-	386

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

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

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

34. For the year ended March 31, 2021, the Company is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

35. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company and its Indian subsidiaries will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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

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

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

The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period of two years. During the current year, due to the outbreak of COVID-19 pandemic, physical verification of fixed assets could not be performed. Subsequent to the balance sheet date, the Company has carried out physical verification for all its fixed assets. No material discrepancies were noticed on such verification."

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place : Mumbai
Date : May 7, 2021

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

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : Mumbai
Date : May 7, 2021

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

CONSOLIDATED FINANCIAL STATEMENT


CONNECTION
ANALYSIS
DATA
SEARCHING
VERIFICATION
CODING
SENDING

Independent Auditor's Report

To the Members of
NSDL e-Governance Infrastructure Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of NSDL e-Governance Infrastructure Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of the subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*** section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Board report, but does not include the financial statements and our auditors' report thereon. The Board report is expected to be made available to us after the date of the auditor's report.Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and in doing so consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair

presentation.

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

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 reflect total assets (before consolidation adjustments) of Rs. 306 lakhs as at 31 March 2021, total revenues (before consolidation adjustments) of Rs. Nil and net cash flows amounting to Rs. 259 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the audit reports of the other auditors.

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

(b) The financial information of one subsidiary whose financial information reflect total assets (before consolidation adjustments) of Rs. Nil as at 31 March 2021, total revenues (before consolidation adjustments) of Rs. Nil and net cash inflows amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors.

These unaudited financial information has been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors and unaudited financial information of a subsidiary as certified by the Management of the Holding Company, 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 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31 March 2021 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 company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and unaudited financial information of a subsidiary as certified by the Management of the Holding Company, as noted in 'Other Matters' paragraph :

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditor’s report under section 197(16):

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

In our opinion and according to the information and explanations given to us, during the current year, there has been no remuneration paid by the subsidiary company incorporated in India to its directors. Accordingly, in respect of the subsidiary company incorporated in India, compliance with the provisions of Section 197 of the Act is not required to be commented upon.

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060
ICAI UDIN: 21100060AAAABY9270

Place: Mumbai
Date: May 7, 2021

Annexure A to the Independent Auditors' report on the consolidated financial statements of NSDL e-Governance Infrastructure Limited for the year ended 31 March 2021

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of NSDL e-Governance Infrastructure Limited (hereinafter referred to as "the Holding Company").

In our opinion, the Holding Company and the subsidiary company incorporated in India, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company incorporated in India, in terms of his report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

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

Other Matter

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 the subsidiary company incorporated in India, is based on the corresponding report of the auditor of the subsidiary company incorporated in India.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 11623W/W-100024

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060
ICAI UDIN: 21100060AAAABY9270

Place: Mumbai
Date: May 7, 2021

Consolidated Balance Sheet as at 31 March 2021

Currency : (₹ in Lakhs)

Particulars			Note	As at 31.03.2021	As at 31.03.2020
		Assets			
1	**Non-current assets**				
	a	Property, plant and equipment	2	**4,938**	4,855
	b	Capital work-in-progress		**142**	543
	c	Right-of-use assets	28	**610**	1,461
	d	Other intangible assets	2	**133**	40
	e	Financial assets			
	i	Investments	4	**27,369**	38,491
	ii	Other financial assets	5	**2,039**	2,200
	f	Income tax assets (net)	6	**2,773**	2,570
	g	Deferred tax assets (net)	6	**901**	248
	h	Other non-current assets	7	**297**	187
		Total non-current assets		**39,202**	50,595
2	**Current assets**				
	a	Financial assets			
	i	Investments	8	**1,144**	2,120
	ii	Trade receivables	9	**19,774**	21,071
	iii	Cash and cash equivalents	10	**7,346**	4,104
	iv	Other bank balances (bank balances other than iii above)	11	**4,169**	907
	v	Other financial assets	5	**1,908**	2,165
	b	Other current assets	7	**4,475**	4,797
		Total current assets		**38,816**	35,164
3	**Assets held for sale**		3	**8,240**	8,240
		Total assets		**86,258**	93,999

Consolidated Balance Sheet as at 31 March 2021

Currency : (₹ in Lakhs)

Particulars			Note	As at 31.03.2021	As at 31.03.2020
		Equity and liabilities			
1	**Equity**				
	a	Equity share capital	12	**4,014**	4,001
	b	Other equity	13	**62,771**	71,350
		Equity attributable to shareholders of the company		**66,785**	75,369
		Non-controlling interest	13&27	**(18)**	(18)
		Total equity		**66,767**	75,351
2	**Liabilities**				
	1	**Non-current liabilities**			
	a	Financial liabilities			
	i	Lease liabilities	28	**186**	668
	b	Provisions	16	**1,347**	986
	c	Other non-current liabilities	17	**112**	164
		Total non current liabilities		**1,645**	1,818
	2	**Current liabilities**			
	a	Financial liabilities			
	i	Lease liabilities	28	**433**	722
	ii	Trade payables			
		-- Dues of micro enterprises and small enterprises	14 & 31	**1,671**	606
		-- Dues of creditors other than micro enterprises and small enterprises	14	**8,211**	8,265
	iii	Other financial liabilities (Other than provisions in (b) below)	15	**1,528**	1,796
	b	Provisions	16	**1,035**	965
	c	Other current liabilities	17	**4,968**	4,476
		Total current liabilities		**17,846**	16,830
		Total equity and liabilities		**86,258**	93,999
See accompanying notes to the consolidated financial statements			1 to 37		

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

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place : **Mumbai**
Date : May 7, 2021

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Place : **Mumbai**
Date : May 7, 2021

Consolidated Statement of Profit and Loss for the year ended 31st March 2021

Currency : (₹ in Lakhs)

	Note	For the year Ended 31.03.2021	For the year ended 31.03.2020
Income			
Revenue from operations	18	**60,313**	71,613
Other income	19	**4,905**	3,849
Total Income		**65,218**	75,462
Expenses			
Employee benefits expense	20	**7,527**	6,863
Finance costs		**94**	162
Depreciation and amortisation expense	2&28	**1,728**	2,746
Other expenses	21	**44,304**	49,977
Total Expenses		**53,653**	59,748
Profit before tax		**11,565**	15,714
Less : Tax expenses			
Current tax	6	**2,988**	3,761
Deferred tax	6	**(653)**	(165)
Total tax expenses		**2,335**	3,596
Profit for the year (A)		**9,230**	12,118

Consolidated Statement of Profit and Loss for the year ended 31st March 2021

Currency : (₹ in Lakhs)

	Note	For the year Ended 31.03.2021	For the year ended 31.03.2020
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the defined benefit liability / asset (net of tax)		**(286)**	(379)
Total other comprehensive income (net of tax) (B)		**(286)**	(379)
Total comprehensive income (A+B)		**8,944**	11,739
Profit for the year attributable to :			
Shareholders of the Company		**9,230**	12,125
Non-Controlling interest		**-**	(7)
		9,230	12,118
Other comprehensive income for the year attributable to :			
Shareholders of the Company		**(286)**	-379
Non-Controlling interest		**-**	-
		(286)	(379)
Total comprehensive income for the year attributable to :			
Shareholders of the Company		**8,944**	11,746
Non-Controlling interest		**-**	(7)
		8,944	11,739
Earnings per equity share			
Weighted average equity shares used in computing earnings per equity share			
- Basic (₹)	22	**4,00,50,487**	4,00,05,469
- Diluted (₹)	22	**4,00,85,730**	4,00,96,691
Equity shares of par value ₹ 10 each			
- Basic (₹)		**23.05**	30.31
- Diluted (₹)		**23.03**	30.24
See accompanying notes to the consolidated financial statements	1 to 37		

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place : **Mumbai**
Date : May 7, 2021

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

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Place : **Mumbai**
Date : May 7, 2021

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

Sd/-
Tejas Desai
Chief Financial OfficerDate :

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Sd/-
Maulesh Kantharia
Company Secretary

Consolidated statement of changes in equity for the year ended 31 March 2021

A. EQUITY SHARE CAPITAL

Currency : (₹ in Lakhs)

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

Balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
4001	13	4014

B. OTHER EQUITY

Currency : (₹ in Lakhs)

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

Currency : (₹ in Lakhs)

Particulars	Other equity#						Attributable to non controlling interest	Total
	Attributable to owners of the company							
	Reserves and surplus			ESOP reserve	Securities premium	Other comprehensive income		
	Capital redemption reserve	General reserve	Retained earnings			Other items of other comprehensive income		
Balance at the April 1, 2020	**2,500**	**39,843**	**29,398**	**468**	**24**	**(883)**	**(18)**	**71,332**
Profit for the year	-	-	9,230	-	-	-	-	**9,230**
Other comprehensive loss	-	-	-	-	-	(286)	-	**(286)**
Share based payment expense	-	-	-	130		-	-	**130**
Transfer from ESOP Reserve on exercise of stock options/options unexercised	-	21	-	(128)	107	-	-	**-**
Issue of shares on account of exercise of stock options					394			**394**
Dividend	-	-	(18,047)	-	-	-	-	**(18,047)**
Balance at the March 31, 2021	**2,500**	**39,864**	**20,581**	**470**	**525**	**(1,169)**	**(18)**	**62,753**

Note:

 # Purpose of Reserve stated as follows:

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

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

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

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

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place : **Mumbai**
Date : May 7, 2021

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

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : **Mumbai**
Date : May 7, 2021

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Consolidated Statement of Cash Flows for the year ended 31 March 2021

Currency : (₹ in Lakhs)

		For the year ended 31.03.2021	For the year ended 31.03.2020
A)	**Cash flow from operating activities**		
	Profit before tax	**11,565**	15,714
	Adjustments for :		
	Depreciation and amortisation	**1,728**	2,746
	Amortisation of premium / discount on Govt/Debt Securities	**113**	172
	Loss on sale /discard of assets (net)	**13**	1
	Lease modification	**(7)**	-
	Provision for doubtful debts	**2,920**	1,063
	Interest income on interest on financial assets carried at amortised cost	**(2,627)**	(2,610)
	Interest income on bank deposits	**(248)**	(257)
	Finance costs	**94**	162
	Share based payments to employees	**130**	121
	Profit on sale of investments carried on amortised cost	**(523)**	(2)
	Dividend income	**(92)**	(163)
	Operating cash flow before changes in working capital	**13,066**	16,947
	Changes in working capital		
	Trade receivables	**(1,623)**	(3,946)
	Other financial assets and other assets	**346**	(1,817)
	Trade payables	**1,011**	(1,313)
	Other financial liabilities, other liabilities and provisions	**413**	522
	Cash generated from operations	**13,213**	10,393
	Income taxes paid	**(3,191)**	(5,007)
	Net cash generated from operating activities (A)	**10,022**	5,386

Consolidated Statement of Cash Flows for the year ended 31 March 2021

Currency : (₹ in Lakhs)

		For the year ended 31.03.2021	For the year ended 31.03.2020
B)	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and capital advances given	**(945)**	(1,222)
	Proceeds from sale of property, plant and equipment	**-**	3
	Interest received	**3,159**	2,403
	Dividend received	**92**	163
	Purchase of non-current investments (net of interest accrued upto date of purchase)	**-**	(6,073)
	Purchase of current investments	**(4,000)**	-
	Investment in fixed deposits	**(3,262)**	884
	Proceeds from sale of non-current investments	**10,408**	52
	Proceeds from sale of current investments	**6,100**	2,500
	Net cash used in investing activities (B)	**11,552**	(1,290)
C)	**Cash flow from financing activities**		
	Proceeds from exercise of stock options	**407**	8
	Dividend paid	**(18,047)**	(2,600)
	Dividend distribution tax paid	**-**	(535)
	Lease liability paid	**(692)**	(804)
	Net cash used in financing activities (C)	**(18,332)**	(3,931)
	Net increase in cash and cash equivalents at the end of the year (A+B+C)	**3,242**	165
	Cash and cash equivalents at the beginning of the year	**4,104**	3,939
	Cash and cash equivalents at the end of the year	**7,346**	4,104

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 Flow as notified under Companies (Accounts) Rules, 2014 as amended from time to time.

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place : **Mumbai**
Date : May 7, 2021

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

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : **Mumbai**
Date : May 7, 2021

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

NSDL e-Governance Infrastructure Limited
Notes to consolidated financial statements
for the year ended 31st March 2021

Currency : (₹ in Lakhs)

1. Corporate information

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

The company is a public limited company and domiciled in India. The address of the corporate office is 1st floor, Times Tower, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

The Board of Directors of the Company at its meeting held on 23 March 2021 consented to xplore undertaking Offer for Sale (OFS) / Initial Public Offer (IPO) of the equity shares of the Company.

The consolidated financial statements for the year ended 31 March 2021 were approved by the Board of Directors and authorised for issue on 7 May 2021

1.1 Summary of significant accounting policies :

a) Statement of compliance

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

b) Basis of preparation of standalone financial statements

These consolidated financial statements have been prepared in Indian Rupee (`) which is the functional currency of the Company and its Indian subsidiary. The functional currency of foreign subsidiaries is the currency of the primary economic environment in which the entity operates.

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

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

c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The group combines the financial statements of the parent and its subsidiaries on a line by line basis by adding together like items of assets, liabilities, equity, income and expenses. Intra-group balance and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

d) Use of estimates

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

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

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

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

- **Defined benefit**

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

- **Property, Plant and Equipment**

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

- **Leases**

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

- **Income taxes**

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

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

- **Fair value measurement of financial instruments**

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

- **Interest income**

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

- **Trade receivables**

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

- **Contract balances**

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

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

- 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.
- 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.
- 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.
- 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:

- 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.

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

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

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

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

Dividend income

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

f) Property, plant and equipment

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

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

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

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

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

The cost and related accumulated depreciation are eliminated from the 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 Company as a lessee

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

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

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

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

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

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

h) Depreciation

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

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

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

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

Computer Software is amortized over a period of 2 years.

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

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

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 Company can demonstrate:

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

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

j) 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.

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 Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law were made to Recognised Provident Fund.

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

  Defined benefit Plans

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

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

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

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

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

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

m) Income Tax

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

- **Current tax**

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

- **Deferred tax**

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

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

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

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

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

n) Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the consolidated financial statements. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. A contingent asset is neither recognised nor disclosed in the consolidated financial statements.

o) Cash Flow statement.

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

p) 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.

q) 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.

r) Financial instruments

- **Initial recognition**

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

Subsequent measurement

- **Financial assets**

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

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

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

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

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

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

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

- **Loans and receivables**

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

- **Impairment of financial assets**

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

- **Loans and receivables and derecognition of financial assets**

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

Subsequent measurement

- **Financial assets carried at amortised cost**

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

- **Financial assets at fair value through other comprehensive income**

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

- **Financial assets at fair value through profit or loss**

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

- **Financial liabilities**

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

Investment in subsidiaries

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

Financial liabilities and equity instruments

Equity instruments

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

Financial liabilities

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

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

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

Derecognition of financial liabilities

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

Non-current Assets Held for Sale and Discontinued Operations

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

Offsetting arrangements

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

s) 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.

t) Reclassifications

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

1.2 Recent Indian Accounting Standards (Ind AS)

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then

disclosure of details of where it has been used.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

Currency : (₹ in Lakhs)

	Property, Plant and Equipments								Other Intangible assets	
Particulars	**Land Free-hold**	**Build-ing**	**Com-puters**	**Data and Tele-commu-nication equip-ments**	**Electric installa-tion**	**Office equip-ment**	**Furni-ture and fixtures**	**Total**	**Comput-er Soft-wares (others)**	**Total**
Gross carrying value as of April 1, 2020	**-**	**5,292**	**7,439**	**1,799**	**477**	**883**	**687**	**16,577**	**4,857**	**4,857**
Additions	-	-	983	26	37	11	-	1,057	162	162
Deletions	-	-	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2021	**-**	**5,292**	**8,422**	**1,825**	**514**	**894**	**687**	**17,634**	**5,019**	**5,019**
Accumulated depreciation as of April 1, 2020	**-**	**4,012**	**5,262**	**1,112**	**379**	**636**	**321**	**11,722**	**4,817**	**4,817**
Depreciation		21	672	151	17	65	48	974	69	69
Accumulated depreciation on deletion	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2021	**-**	**4,033**	**5,934**	**1,263**	**396**	**701**	**369**	**12,696**	**4,886**	**4,886**
Carrying value as of March 31, 2021	**-**	**1,259**	**2,488**	**562**	**118**	**193**	**318**	**4,938**	**133**	**133**

Currency : (₹ in Lakhs)

Particulars	Property, Plant and Equipments								Other Intangible assets	
	Land Free-hold	Build-ing	Com-puters	Data and Tele-commu-nication equip-ments	Electric installa-tion	Office equip-ment	Furni-ture and fixtures	Total	Comput-er Soft-wares (others)	Total
Gross carrying value as of April 1, 2019	**1,574**	**9,422**	**6,727**	**1,806**	**1,285**	**2,694**	**1,247**	**24,755**	**4,827**	**4,827**
Additions	-	198	713	112	73	165	289	1,550	30	30
Transfer to assets held for sale	1,574	4,328	-	119	866	1,969	809	9,665	-	-
Deletions	-	-	1	-	15	7	40	63	-	-
Gross carrying value as of March 31, 2020	**-**	**5,292**	**7,439**	**1,799**	**477**	**883**	**687**	**16,577**	**4,857**	**4,857**
Accumulated depreciation as of April 1, 2019	-	4,074	4,670	976	474	1,057	404	11,655	4,414	4,414
Depreciation		92	593	179	97	446	123	1,530	403	403
Transfer to assets held for sale	-	154	-	43	190	862	176	1,425	-	-
Deletions	-	-	1	-	2	5	30	38	-	-
Accumulated depreciation as of March 31, 2020	**-**	**4,012**	**5,262**	**1,112**	**379**	**636**	**321**	**11,722**	**4,817**	**4,817**
Carrying value as of March 31, 2020	**-**	**1,280**	**2,177**	**687**	**98**	**247**	**366**	**4,855**	**40**	**40**

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

Currency : (₹ in Lakhs)

3. Assets held for sale

The Company has decided to sell its Data Centre unit at Bangalore. The Company has offered for sale the said unit to a third party, failing which the Company intends to float Request for Proposal (RFP) and invite bids in the coming year. The Company expects to complete the sale within one year from the balance sheet date. There are no liabilities associated with respect to the said assets held for sale. The particulars of the assets held for sale are as under:

Particulars	WDV of assets as on 31.03.2021 (₹ in Lakhs)	WDV of assets as on 31.03.2020 (₹ in Lakhs)
Land & Building	**5,749**	5,749
Furniture, fixture and office equipment's	**2,491**	2,491
Total	**8,240**	**8,240**

4. Non-current investments

Currency : (₹ in Lakhs)

		Rate of interest %	Year of maturity	No. of bonds/ debentures/share	Face value	As at 31 March, 2021 (₹ in Lakhs)	As at 31 March, 2020 (₹ in Lakhs)
Quoted debt securities investments at amortised cost :							
Investment in tax free bonds							
1	Indian Railway Finance Corporation Limited	8.10	2027	50,000	1,000	534	534
2	National Highway Authority of India Limited	8.30	2027	2,00,000	1,000	2,182	2,182
3	Indian Railway Finance Corporation Limited	7.34	2028	2,50,000	1,000	2,574	2,574
4	National Highway Authority of India Limited	8.50	2029	80,000	1,000	800	800
5	National Housing Bank	8.63	2029	7,220	5,000	361	361
6	Rural Electrification Corporation	8.63	2029	50,000	1,000	500	500
7	National Housing Bank	8.68	2029	40,000	5,000	2,053	2,053
8	National Thermal Power Corporation Limited	7.37	2035	6,246	1,000	62	62
9	Rural Electrification Corporation	7.21	2022	130	10,00,000	1,329	1,329
10	National Thermal Power Corporation Limited	7.15	2025	90	10,00,000	912	912
11	National Housing Bank	8.46	2028	40	10,00,000	443	443
12	Power Finance Corporation Limited	8.46	2028	150	10,00,000	1,672	1,672
13	Rural Electrification Corporation	8.46	2028	250	10,00,000	2,894	2,894
14	National Bank for Agriculture and Rural Devlopment	7.35	2031	50,000	1,000	526	1,578
15	National Hydroelectric Power Corporation Limited	8.67	2033	50,000	1,000	634	634
16	National Bank for Agriculture and Rural Devlopment	7.35	2031	1,00,000	1,000	1,117	1,117
17	Indian Renewable Energy Development Agency Limited	7.17	2025	270	10,00,000	2,877	2,877
18	National Highway Authority of India Limited	7.35	2031	1,00,000	1,000	1,125	1,125
19	National Highway Authority of India Limited	7.39	2031	50,000	1,000	556	556
20	Indian Railway Finance Corporation Limited	7.35	2031	1,50,000	1,000	1,663	1,663
21	National Bank for Agriculture and Rural Devlopment	7.35	2031	2,00,000	1,000	-	2,221
22	National Housing Bank	8.76	2034	20,000	5,000	1,241	1,241
23	National Housing Bank	8.68	2029	10,000	5,000	591	591
24	Power Finance Corporation Limited	7.21	2022	150	10,00,000	-	1,538
25	Power Finance Corporation Limited	9.10	2029	50	10,00,000	512	512
26	National Hydroelectric Power Corporation Limited	8.18	2023	50,000	1,000	538	538
27	National Thermal Power Corporation Limited	7.32	2029	150	1,50,000	-	1,476
28	National Thermal Power Corporation Limited	7.32	2029	250	2,50,000	-	2,489
29	Power Finance Corporation Limited	8.20	2022	1,00,000	1,000	-	1,084
30	Power Grid Corporation of India Limited	8.40	2029	100	10,00,000	-	1,059

Currency : (₹ in Lakhs)

		Rate of interest %	Year of maturity	No. of bonds/ debentures/share	Face value	As at 31 March, 2021 (₹ in Lakhs)	As at 31 March, 2020 (₹ in Lakhs)
Investment in non convertible debentures							
31	Power Finance Corporation Limited	9.36	2021	2	10,00,000	-	20
32	Housing Development and Finance Corporation Limited	9.40	2021	4	10,00,000	-	40
33	EXIM Bank Limited	9.25	2022	2	10,00,000	20	20
34	Rural Electrification Corporation	9.35	2022	4	10,00,000	40	40
35	Infrastructure Leasing & Finance Services Limited	9.55	2023	550	1,000	6	6
36	HDB Financial Services Limited	9.60	2023	2	10,00,000	20	20
37	HDB Finanacial Services Limited	10.19	2024	1	10,00,000	10	10
38	IDFC Bank Limited	8.80	2025	10	10,00,000	100	100
39	Indian Railway Finance Corporation Limited	9.09	2026	2	10,00,000	20	20
40	State Bank of India	9.95	2026	296	10,000	-	30
41	Power Finance Corporation Limited	8.94	2028	4	10,00,000	41	41
42	Indian Railway Finance Corporation Limited	8.79	2030	1	10,00,000	10	10
43	India Infrastructure Finance Company Limited	9.41	2037	5	10,00,000	56	56
						28,019	**39,028**
	Less : Amortisation of premium					644	531
	Less : Provision for impairment of assets					6	6
	Total					**27,369**	**38,491**
	Aggregate book value of quoted investments {Non-current + Current-(Note 8)}					28,513	40,611
	Aggregate market value of quoted investments {Non-current + Current-(Note 8)}					31,970	42,768

5. Other financial assets

(Unsecured considered good)

Particulars	Non-current		Current	
	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Others				
Security deposits	**1,163**	1,260		-
Interest accrued on investments	**-**	-	**916**	1,242
Interest accrued on bank deposits	**49**	13	**52**	46
Restricted deposits with banks against performance guarantee	**785**	785	**-**	-
Loans to employees	**-**	2	**-**	-
Unbilled receivables	**42**	140	**940**	877
Total	**2,039**	**2,200**	**1,908**	**2,165**

6. Income taxes

(A) The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

Profit and loss section

Currency : (₹ in Lakhs)

Particulars	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Current taxes	**2,988**	3,761
Deferred taxes	**(653)**	(165)
Income tax expense reported in the statement of profit or loss	**2,335**	3,596

Other Comprehensive Income (OCI) section

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

Particulars	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
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

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Profit before income taxes	**11,565**	15,714
Applicable enacted tax rates in India	**25.17%**	25.17%
Computed expected tax expense	**2,911**	3,955
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Depreciation	**-**	-
Income exempt from tax	**(587)**	(643)
Expense not allowed for taxation purpose	**87**	284
Income taxable at different rate	**(76)**	-
Total income tax expense	**2,335**	3,596

The movement in the current income tax asset/ (liability) for the year ended March 31, 2021 and year ended March 31, 2020 as follows:

Currency : (₹ in Lakhs)

Particulars	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Net current income tax asset/ (liability) at the beginning	**2,570**	1,324
Income tax paid	**3,191**	5,007
Current income tax expense	**(2,988)**	(3,761)
Net current income tax asset/ (liability) at the end	**2,773**	2,570

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

Particulars	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Deferred tax assets		
Provision for compensated absences	**358**	322
Provision for doubtful debts	**1,033**	268
Others	**18**	(43)
Total deferred tax assets	**1,409**	547
Deferred tax liabilities		
Difference between tax balance and book balance of fixed assets	**508**	267
Others	**-**	18
Amortisation of revenue	**-**	14
Total deferred tax liabilities	**508**	299
Deferred tax assets (net)	**901**	248

The gross movement in the deferred income tax account for the year ended March 31, 2021 and year ended March 31, 2020, is as follows:

Currency : (₹ in Lakhs)

	31.03.2021			31.03.2020		
	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	**(267)**	**(241)**	**(508)**	(316)	49	(267)
Provision of leave encashment	**322**	**36**	**358**	375	(53)	322
Employee incentive plan	**(43)**	**43**	**-**	102	(145)	(43)
Deferred revenue	**(14)**	**12**	**(2)**	(68)	54	(14)
Provision of doubtful debts	**268**	**765**	**1,033**	42	226	268
Right of use assets and lease liabilities	**(18)**	**38**	**20**	-	(18)	(18)
Provision of gratuity	**-**	**-**	**-**	(46)	46	-
Total deferred tax assets/(liabilities)	**248**	**653**	**901**	89	159	248

7. Other assets

		Non-current		Current	
		31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
(A)	**Capital advances**	14	14	-	-
(B)	**Other advances**				
	Prepaid expenses	193	42	482	782
	Deferred expenses	90	131	243	325
	GST credit receivable	-	-	2,194	1,807
	Advance to suppliers	-	-	1,551	1,851
	Others	-	-	5	32
		297	187	4,475	4,797

8. Current investments

Currency : (₹ in Lakhs)

		As at 31st March, 2021					As at 31st March, 2020		
		Year of maturity	Rate of interest	No. of Units	Face Value	(₹ in Lakhs)	No. of Units	Face Value	(₹ in Lakhs)
Quoted debt securities investments at amortised cost :									
Non convertible debentures									
	Current portion of Non convertible debentures								
1	Housing Development and Finance Corporation Limited	2021	8.79	2	10,00,000	40	-	-	-
2	Power Finance Corporation Limited	2021	9.36	2	10,00,000	20	-	-	-
3	Power Finance Corporation Limited	2022	8.20	1,00,000	1,000	1,084	-	-	-
4	Housing Development and Finance Corporation Limited	2020	8.79	-	-	-	2	10,00,000	20
Investments carried at fair value through profit or loss :									
Liquid Mutual funds									
1	Units of Axis Liquid Fund - Institutional Daily Dividend Reinvestment			-	-	-	52,576	1,001	526
2	Units of UTI Liquid Cash Plan Fund - Institutional Plan (Daily Dividend Option)			-	-	-	51,592	1,019	526
3	LIC MF Liquid Fund- Daily Dividend Reinvestment			-	-	-	47,935	1,098	526
4	ICICI Prudential Liquid Plan- Daily Dividend Reinvestment			-	-	-	5,21,726	100	522
	Total					**1,144**			**2,120**

9. Trade receivables

Currency : (₹ in Lakhs)

Particulars	Current	
	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Trade Receivables	**23,757**	22,134
Less: Allowance for doubtful trade receivables	**3,983**	1,063
Considered good	**19,774**	21,071
Trade Receivables	**119**	119
Less: Allowance for doubtful trade receivables	**119**	119
Credit Impaired	**-**	-
Total	**19,774**	**21,071**

10. Cash and cash equivalents

	Current	
	31.03.2021 (₹ in Lakhs)	**31.03.2020 (₹ in Lakhs)**
Cash and cash equivalents		
Balances with banks in current accounts	**1**	1
Cash on hand	**7,345**	4,103
	7,346	4,104

11. Other Bank Balances

	Current	
	31.03.2021 (₹ in Lakhs)	**31.03.2020 (₹ in Lakhs)**
Bank Deposits with original maturity for more than 3 months but less than 12 months	**4,169**	907
Total	**4,169**	907

12. Equity share capital

Currency : (₹ in Lakhs)

	Non-current	
	31.03.21 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Authorised		
50,00,00,000 (Previous Year 50,00,00,000) equity shares of Rs 10 each.	**50,000**	50,000
Issued, Subscribed and Paid-up		
40,139,462 (Previous year 40,007,981) equity shares of Rs.10 each fully paid up.	**4,014**	4,001
Total	**4,014**	4,001

a) Reconciliation of number of shares

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	**Amount (₹ in Lakhs)**	Number of shares	Amount (₹ in Lakhs)
Equity shares				
Opening balance	**4,00,07,981**	**4,001**	4,00,05,300	4,001
Issued during the year	**1,31,481**	**13**	2,681	-*
Closing balance	**4,01,39,462**	**4,014**	4,00,07,981	4,001

* Represents value less than ₹0.5 lakhs

b) Rights, preferences and restrictions attached to shares

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

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

	As at 31.03.2021		As at 31.03.2020	
	Numbers of Shares Held	**% of Holding**	Numbers of Shares Held	% of Holding
NSE Investments Limited	**1,00,18,000**	**24.96**	1,00,18,000	25.04
IIFL Special Opportunities Fund	**28,94,507**	**7.21**	28,94,507	7.24
Administrator of Specified Undertaking of Unit Trust of India	**27,32,000**	**6.81**	27,32,000	6.83
IIFL Special Opportunities Fund – Series 4	**24,99,178**	**6.23**	24,99,178	6.25
IIFL Special Opportunities Fund – Series 2	**20,16,366**	**5.02**	20,16,366	5.04

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

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

13. Other Equity

Currency : (₹ in Lakhs)

		31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
a)	**Capital redemption reserve**		
	Balance at the beginning	**2,500**	2,500
	Balance at the end of the year	**2,500**	2,500
b)	**General reserve**		
	Balance at the beginning	**39,843**	39,843
	Transfer from ESOP Reserve on options unexercised	**21**	-
	Balance at the end of the year	**39,864**	39,843
c)	**Retained earnings**		
	Balance at the beginning	**29,398**	20,415
	(i) Dividend	**(18,047)**	(3,135)
	(ii) Profit for the year	**9,230**	12,118
	Balance at the end of the year	**20,581**	29,398
d)	**Non controlling interest of minority shareholders in subsidiary**		
	Balance at the beginning	**(18)**	(11)
	(i) Non controlling interest of minority shareholders in subsidiary	**-**	(7)
	Balance at the end of the year	**(18)**	(18)
e)	**Other comprehensive income**		
	Balance at the beginning	**(883)**	(504)
	(i) Re-measurement of the defined benefit net liability / asset	**(286)**	(379)
	Balance at the end of the year	**(1,169)**	(883)
f)	**ESOP reserve**		
	Balance at the beginning	**468**	347
	(i) Share based payment expense	**130**	121
	(ii) Transfer to General Reserve/Securities Premium on exercise of stock options/options unexercised	**(128)**	-
	Balance at the end of the year	**470**	468
g)	**Securities premium**		
	Balance at the beginning	**24**	16
	(i) Issue of shares to employees on account of exercise of stock options	**394**	8
	(ii) Transfer from ESOP Reserve on exercise of stock options	**107**	-
	Balance at the end of the year	**525**	24
		62,753	71,332

14. Trade payables

		Current	
		31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Trade payables			
	Dues of micro enterprises and small enterprises	1,671	606
	Dues of creditors other than micro enterprises and small enterprises	8,211	8,265
		9,882	8,871

15. Other financial liabilities

	Current	
	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Creditors for capital expenditure	**237**	351
Directors' commission payable	**89**	122
Employee benefits payable	**98**	42
Employee incentives payable	**917**	1,126
Other liabilities	**187**	155
Total	**1,528**	1,796

16. Provision

	Non-current		Current	
	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)	**31.03.2021 (₹ in Lakhs)**	31.03.2020 (₹ in Lakhs)
Provision for employee benefits				
Provision for gratuity	-	-	**961**	672
Provision for compensated absences	**1,347**	986	**74**	293
Total	**1,347**	986	**1,035**	965

17. Other liabilities

Currency : (₹ in Lakhs)

	Non - Current		Current	
	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)	**31.03.2021 (₹ in Lakhs)**	31.03.2020 (₹ in Lakhs)
Advances from customers	**-**	-	**1,696**	995
Deferred revenue	**112**	164	**304**	407
Statutory dues payable:				
Goods and services tax payable	**-**	-	**796**	801
TDS payable			**458**	250
Other statutory liabilities			**77**	54
Income received in advance	**-**	-	**1,637**	1,969
Total	**112**	164	**4,968**	4,476

18. Revenue from operations

	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Sale of services :		
Transaction fees	**44,132**	56,963
Accounts maintenance fees	**16,069**	14,175
Other operational income	**112**	475
Total	**60,313**	71,613

Information about major customers:

No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2021 and March 31, 2020. 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.

The table below discloses the movement in contract liabilities during the year ended	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Balance at the beginning of the year	**3,535**	4,295
Add: Invoices raised/advance received for which no revenue is recognised during the year	**3,082**	2,925
Less: revenue recognised that was included in the contract liabilities at the begining of the year	**(2,868)**	(3,685)
Balance at the end of the year	**3,749**	3,535

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	31 March 2021 (₹ in Lakhs)	31 March 2020 (₹ in Lakhs)
Particulars		
Contracted price with the customers	**60,313**	71,613
Less/Add: Adjustments	**-**	-
Revenue from contracts with customers (as per Statement of Profit and Loss)	**60,313**	71,613

Practical expedients used

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

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

19. Other income

	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Interest income		
On interest on financial assets carried at amortised cost	**2,627**	2,695
On bank deposits	**248**	-
On overdue trade receivables	**1,108**	677
On security deposits	**83**	75
Dividend income	**92**	163
Support charges	**75**	66
Rent income	**149**	171
Miscellaneous income	**-**	2
Profit on sale of investments carried on amortised cost	**523**	-
Total	**4,905**	**3,849**

20. Employee benefits expenses

	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Salaries, wages and bonus	**6,425**	5,762
Share based payment expense	**130**	121
Contribution to provident and other funds	**804**	699
Staff welfare expenses	**168**	281
Total	**7,527**	**6,863**

21. Other expenses

Currency : (₹ in Lakhs)

	31.03.2021 (₹ in Lakhs)	31.03.2020 (₹ in Lakhs)
Rent	**40**	114
Communication expenses	**936**	793
Travelling and conveyance expenses	**84**	651
Annual fees	**1,063**	933
Processing charges	**31,368**	38,457
Repairs and maintenance		
- To buildings	**266**	294
- To computers, trading and telecommunication systems	**5,299**	5,545
- To others	**131**	85
Insurance	**158**	148
Rates and taxes	**183**	99
Advertisement and publicity	**34**	110
Legal and Professional fees	**449**	434
Printing and stationery expenses	**7**	19
Payment to auditor (refer note below)	**40**	31
Electricity charges / power fuel	**328**	372
Directors' sitting fees	**36**	30
Directors' commission	**89**	121
Provision for doubtful debts	**2,920**	1,063
Loss on sale /discard of assets (net)	**13**	1
Expenditure incurred on CSR activities (refer note 33)	**576**	181
Miscellaneous expenses	**284**	496
Total	**44,304**	49,977
Note :		
Payment to auditor		
As auditor :		
Audit fees	**27**	27
Tax audit fee	**2**	2
In other capacity		
Certification matters	**6**	6
Limited review	**5**	5
Total	**40**	40

22. Earnings Per Share

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

Currency : (₹ in Lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
Net profit attributable to shareholders of the Company	**9,230**	12,125
Weighted Average number of equity shares for basic EPS	**4,00,50,487**	4,00,05,469
Basic earnings per share of ₹ 10/- each (in `)	**23.05**	30.31
Weighted Average number of equity shares for diluted EPS	**4,00,85,730**	**4,00,96,691**
Diluted earnings per share of ₹ 10/- each (in `)	**23.03**	**30.24**

23. 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 ₹ 184 Lakhs (31 March 2020: ₹ 155 lakhs). These contributions are made to the fund administered and managed by the 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 ₹ 254 Lakhs (31 March 2020 - ₹ 234 Lakhs).

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 projected unit credit method used to show the position is as under.

(i) Assumptions:

	Year ended 31.03.2021	Year ended 31.03.2020
Weighted average duration of the projected benefit obligation	**11**	9
Discount rate	**6.80%**	6.87%
Rate of return on plan assets	**6.80%**	6.87%
Salary escalation	**8.00%**	8.00%
Attrition rate	**5.00%**	5.00%

(ii) Sensitivity analysis

Currency : (₹ in Lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
Delta effect of +1% change in rate of discounting	**(371)**	(323)
Delta effect of -1% change in rate of discounting	**433**	378
Delta effect of +1% change in rate of salary increase	**424**	370
Delta effect of -1% change in rate of salary increase	**(371)**	(323)
Delta effect of +1% change in rate of employee turnover	**(39)**	(33)
Delta effect of -1% change in rate of employee turnover	**44**	37

(iii) Table showing change in benefit obligation:

Currency : (₹ in Lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
Liability at the beginning of the year	**4,398**	3,568
Interest cost	**300**	277
Current service cost	**304**	268
Benefits paid	**(853)**	(79)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	**28**	290
Actuarial (gains)/losses on obligations - due to experience	**201**	74
Liability at the end of the year	**4,378**	4,398

(iv) Table showing fair value of plan assets

Currency : (₹ in Lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
Fair value of plan assets at the beginning of the year	**3,726**	3,287
Interest income	**255**	255
Contributions	**346**	278
Benefits paid	**(853)**	(79)
Actuarial gain / (loss) on plan assets	**(57)**	(15)
Fair value of plan assets at the end of the year	**3,417**	3,726

(v) Amount recognised in the Balance Sheet

Currency : (₹ in Lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
Fair value of plan assets as at the end of the period/year	**3,417**	3,726
Liability as at the end of the year	**4,378**	4,398
Net (liability) / asset disclosed in the Balance Sheet	**(961)**	(672)

(vi) Net interest cost for current year

Currency : (₹ in Lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
Interest cost	**300**	277
Interest income	**(255)**	(255)
Net interest cost for current year	**45**	22

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

Currency : (₹ in Lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
Current service cost	**304**	268
Net interest cost	**45**	22
Expenses recognised in the Statement of profit and loss	**349**	290

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

Currency : (₹ in Lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
Expected return on plan assets	**57**	15
Actuarial (gain) or loss	**229**	364
Net (income)/expense for the year recognized in OCI	**286**	379

(ix) Balance sheet reconciliation

Currency : (₹ in Lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
Opening net liability	**672**	280
Expenses recognized in statement of profit and loss	**349**	291
Expenses recognized in OCI	**286**	379
Employers contribution	**(346)**	(278)
Amount recognised in the balance sheet	**961**	672

(x) Category of assets

Currency : (₹ in Lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
LIC of India - Insurer managed funds	**3,417**	3,726
Total	**3,417**	3,726

(xi) Expected contribution for next year

Currency : (₹ in Lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
Expected contribution for next year	**287**	284
Total	**287**	284

(xii) Maturity Analysis of the Benefit Payments

Currency : (₹ in Lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	**205**	882
2nd Following Year	**273**	180
3rd Following Year	**563**	240
4th Following Year	**205**	499
5th Following Year	**287**	177
Sum of Years 6 To 10	**1,641**	1,404
Sum of Years 11 and above	**6,306**	5,586

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

	2020-21	2019-20	2018-2019	2017-2018	2016-2017
Present value of the defined benefit obligation	4,378	4,398	3,568	3,070	2,605
Fair value of the plan assets	3,417	3,726	3,287	2,737	2,192
Deficit in the plan	961	672	281	333	413
Experience adjustments arising on					
- plan assets	-	-	-	-	-
- plan liabilities loss / (gain)	201	74	50	154	133

24 Financial instruments

24.1 Financial instruments by category

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

Currency : (₹ in Lakhs)

Particulars	Amor-tised 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	4,104	-	-	-	-	4,104	4,104
Tax free bonds	38,083	-	-	-	-	38,083	38,083
Liquid mutual fund units	2,100	-	2,100	-	-	2,100	2,100
Non convertible debentures	428	-	-	-	-	428	428
Trade receivables	21,071	-	-	-	-	21,071	21,071
Other financial assets	5,272	-	-	-	-	5,272	5,272
Total	71,058	-	2,100	-	-	71,058	71,058
Liabilities:							
Lease liabilities	1,390	-	-	-	-	1,390	1,390
Trade payables	8,871	-	-	-	-	8,871	8,871
Other financial liabilities	1,796	-	-	-	-	1,796	1,796
Total	12,057	-	-	-	-	12,057	12,057

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

Currency : (₹ in Lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated Upon Initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents	7,346	-	-	-	-	7,346	7,346
Investments							
Tax free bonds	27,051	-	-	-	-	27,051	27,051
Liquid mutual fund units	-	-	-	-	-	-	-
Non convertible debentures	1,461	-	-	-	-	1,461	1,461
Trade receivables	19,774	-	-	-	-	19,774	19,774
Other financial assets	8,116	-	-	-	-	8,116	8,116
Total	63,748	-	-	-	-	63,748	63,748
Liabilities:							
Lease liabilities	619	-	-	-	-	619	619
Trade payables	9,882	-	-	-	-	9,882	9,882
Other financial liabilities	1,528	-	-	-	-	1,528	1,528
Total	12,029	-	-	-	-	12,029	12,029

24.2 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

Particulars	As of March 31, 2020	Fair value measurement at end of the reporting year		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units		2,100	-	-
Investments in tax free and Government bonds		-	38,083	-
Investments in non convertible debentures		428	-	-

Particulars	As of March 31, 2021	Fair value measurement at end of the reporting year		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units		-	-	-
Investments in tax free and Government bonds		-	27,051	-
Investments in non convertible debentures		1,461	-	-

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

24.3 Financial risk management

Financial risk factors

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

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 19,974 lakhs and ₹ 21,071 lakhs as of 31 March 2021 and 31 March 2020, respectively. Trade receivables is typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

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

Particulars	**March 31, 2021**	March 31, 2020
Revenue from top customer	**5**	5
Revenue from top five customers	**15**	13

Credit risk exposure

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

Particulars	**March 31, 2021**	March 31, 2020
Balance at the beginning	**1,182**	119
Amounts written off	**-**	-
Net remeasurment of loss allowance	**2,920**	1,063
Balance at the end	**4,102**	1,182

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

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

Expected credit loss (ECL):

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

Liquidity risk

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

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

Particulars		March 31, 2020
Current assets	**38,816**	35,164
Current liability	**17,846**	16,830
Working capital	**20,970**	18,334
Cash and cash equivalents	**7,346**	4,104
Investments	**1,144**	2,120

As of 31 March 2020 and 31 March 2021, the outstanding employee benefit obligations were ₹ 672 lakhs and ₹ 961 lakhs (refer note no 16 and 23) respectively, which will be substantially funded. Accordingly, no liquidity risk is perceived.

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

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	9,882	-	-	-	9,882
Lease liabilities	471	191			662
Other financial liabilities	1,528	-	-	-	1,528

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

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	8,871	-	-	-	8,871
Lease liabilities	822	521	191		1,534
Other financial liabilities	1,796	-	-	-	1,796

25 Segment Reporting

"Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker for assessing the Company's performance and allocating the resources based on an analysis of various performance indicators by business segments and geographic segments. The Company is mainly engaged in the business of providing IT enabled e-Governance services to its clients in India. All other activities of the Company revolve around the main business. These activities are conducted only in one geographic segment viz India. Therefore, the disclosure requirements of Ind AS 108 "Segment Reporting" are not applicable."

26 Related Party Transactions

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

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

Related party
a. Entities having substantial interest
IIFL Special Opportunities Fund (from February 16, 2018)
NSE Investments Limited (erstwhile NSE Strategic Investments Corporation Limited) (from October 1, 2013)
b. Key Managerial Personnel
Mr. Gagan Rai - Managing Director & Chief Executive Officer (upto February 17, 2021)
Mr Suresh Sethi - Managing Director & Chief Executive Officer (From February 18, 2021)
Mr. Jayesh Sule - Whole Time Director & Chief Operating Officer
Mr. Tejas Desai - Chief Financial Officer
Mr.Maulesh Kantharia - Company Secretary
c. Subsidiaries
NSDL e-Governance(Malaysia) SDN BHD
NSDL e-Governance Australia Pty Ltd (from 9 December, 2020)
NSDL e-Governance Account Aggregator Limited (from 2 November 2020)

26(b) Details of transactions with related parties are as follows :

Nature of transactions	2020 - 21		2019 - 20	
	Key Managerial Personnel	Entities having substantial interest	Key Managerial Personnel	Entity having substantial interest
Dividend paid				
IIFL Special Opportunities Fund	-	5,400	-	780
NSE Investments Limited	-	4,508	-	651
Mr Gagan Rai	28	-	-	-
Mr Jayesh Sule	5	-	-	-
Mr Tejas Desai	3	-	-	-
Mr.Maulesh Kantharia	1	-	-	-
Remuneration paid				
Mr Gagan Rai	1,008	-	511	-
Mr Jayesh Sule	287	-	261	-
Mr Suresh Sethi	21	-	-	-
Mr Tejas Desai	84	-	67	-
Mr.Maulesh Kantharia	30	-	27	-
Share based payment				
Mr Gagan Rai	107	-	98	-
Mr Jayesh Sule	95	-	-	-
Mr Suresh Sethi	56	-	51	-
Mr Tejas Desai	17	-	15	-
Mr.Maulesh Kantharia	7	-	6	-

27. Minority interest in NSDL e-Governance (Malaysia) SDN BHD :

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

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

Breakup of reserves & surplus

Reserve and surplus calculation

	31 March 2021 Minority	31 March 2020 Minority
Opening	(18)	(11)
Profit / (loss) during the year*	-	(7)
Closing	(18)	(18)

***Represents value less than ₹ 0.5 lakhs.**

28. Leases:

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

Particulars	As at 31 March 2021 (₹ in Lakhs)	As at 31 March 2020 (₹ in Lakhs)
Balance as of 1 April	**1,461**	-
Reclassified on account of adoption of Ind AS 116	**-**	2,274
Termination	**166**	-
Depreciation	**685**	813
Balance as of 31 March	**610**	1,461

The aggregate depreciation expense on right-of-use assets is included in depreciation and amortization

The following is the movement in lease liabilities:

Particulars	As at 31 March 2021 (₹ in Lakhs)	As at 31 March 2020 (₹ in Lakhs)
Current lease liabilities	**433**	722
Non-current lease liabilities	**186**	668
Total	**619**	1,390

The following is the movement in lease liabilities:

Particulars	As at 31 March 2021 (₹ in Lakhs)	As at 31 March 2020 (₹ in Lakhs)
Balance as of 1 April	**1,390**	-
Reclassified on account of adoption of Ind AS 116	**-**	2,032
Additions		
Finance cost accrued during the period	**94**	162
Deletions		
Termination	**173**	-
Payment of lease liabilities	**692**	804
Balance as of 31 March	**619**	**1,390**

Interest on lease liabilities is ₹ 162 lakhs for the year ended on 31 March 2020 and ₹ 94 for the year ended on 31 March 2021.

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

Particulars	As at 31 March 2021 (₹ in Lakhs)	As at 31 March 2020 (₹ in Lakhs)
Less than one year	**471**	822
One to five years	**191**	521
More than five years	**-**	191
Total	**662**	**1,534**

Rental expense recorded for short-term leases and low- value assets was ₹ 40 lakhs for the year ended 31 March 2021 and ₹ 114 Lakhs for the year ended 31 March 2020.

The total cash outflow for leases is ₹ 732 lakhs for the year ended 31 March 2021 and ₹ 918 lakhs for the year ended 31 March 2020, including cash outflow of short-term leases and leases of low-value assets.

29 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 25 lakhs (31 March 2020: ₹299 lakhs)

30 Contingent liabilities:

(i) Claims against the Company not acknowledged as debts: ₹ 99 lakhs (31 March 2020 : ₹ 99 lakhs) (net) #

(ii) On account of disputed demand raised by Sales tax officer for MVAT and CST: ₹2,263.20 lakhs (31 March 2020: ₹2,263.20 lakhs) @
Management considers below claims/demands are not tenable against the Company, and therefore no provision for this contingency has been established.

MVAT payable to seller on purchase of Times Tower premises

@ Demand raised by sales tax officer for MVAT and CST payable on services provided by Company. The Company has filed an appeal Sales Tax Tribunal and paid a deposit of Rs 142 lakhs under protest. The amounts assessed as contingent liability do not include interest that could be claimed by the authorities.

31 Details of dues to Micro and Small, Medium Enterprises as defined under the MSMED Act, 2006

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

Particulars		31.03.2021	31.03.2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year			
	Principal	**1,671**	**606**
	Interest		
Amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year		-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006		-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year		-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006		-	-

32 Employee Stock Option Plan

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

Grant date	Exercise Price	Options granted	Options vested and Exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
December 4, 2017	310.00	3,96,192	1,70,326	62,393	1,39,462	24,011	2,32,719
September 18, 2020	310.00	20,000	-	20,000	-	-	20,000
December 3, 2020	310.00	40,000	-	40,000	-	-	40,000
Total		**4,56,192**	**1,70,326**	**1,22,393**	**1,39,462**	**24,011**	**2,92,719**

Movement of stock options during the year

Particulars	For the year ended 31 March 2021				For the year ended 31 March 2020			
	No. of options	Range of exercise prices Rs.	Weighted average exercise price Rs.	Weighted average remaining contractual life (Years)	No. of options	Range of exercise prices Rs.	Weighted average exercise price Rs.	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	3,80,492	310	310	3.03	3,85,857	310	-	4.03
Granted during the year	60,000	-	310	3.94	-	-	-	-
Adjusted for corporate action of bonus and split	-	-	-	-	-	-	-	-
Forfeited during the year	-16,294	310	310	-	-2,682	310	-	-
Expired during the year								
Exercised during the year	-1,31,481	310	310	-	-2,681	310	-	-
Rounding off difference	2				-2			
Outstanding at the end of the year	2,92,719	310	310	2.68	3,80,492	310	-	3.03
Exercisable at the end of the year	1,70,326	310	310	1.87	2,09,392	310	310	2.19

“The weighted average remaining contractual life for the share options outstanding as at March 31,2021 was 2.68 years (March 31 2020 : 3.03 years). The weighted average share price for the options exercised during the year was Rs. 310 (March 31 2020 : Rs 310). Maximum Term of the options is 7 Years.

The weighted average fair value of the options granted during the year was Rs. 295 (March 31 2020 : Nil). The weighted average share price for the options granted during the year was Rs. 468 (March 31 2020 : Rs. Nil). “

Significant assumptions used to estimate the fair value of options:

Variables	Grant date Sep 18, 2020	Grant date Dec 2, 2020
1. Risk Free Interest Rate	4.66%	4.48%
2. Expected Life	2.50	3.00
3. Expected Volatility	104.65%	89.63%
4. Dividend Yield	0.00%	0.00%
5. Price of the underlying share in market at the time of the option grant (Rs.)	468.00	468.00

There is no options granted during the year 2019-20.

33 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 spent by the Company on Corporate Social Responsibility activities during the financial year 2020-21 is ₹ 360 lakhs (31 March 2020 : ₹ 371 lakhs)

b) Amount spent during the year :

Particulars	Amount paid	Paid in subsequent period	Yet to be paid	Total
31-Mar-20				
Construction / acquisition of any asset	-	-	-	-
On above purpose	181	190	-	469
31-Mar-21				
Construction / acquisition of any asset	-	-	-	-
On above purpose	386	-	-	386

34 Capital management

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

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

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

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

35 For the year ended March 31, 2021, the company is not required to transfer any amount into the Investor Education & Protection Fund as required under relevant provisions of the Companies Act, 2013.

36 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company and its Indian subsidiaries will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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

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

Given the uncertainties associated with nature, condition and duration of COVID -19, the impact assessment on the Company's financial statements will be continuously made and provided for as required. Considering the fact that the global situation is evolving day by day with new facts and numbers, the management is continuously monitoring the material changes for current year and for the subsequent period.The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period of two years. During the current year, due to the outbreak of COVID-19 pandemic, physical verification of fixed assets could not be performed. Subsequent to the balance sheet date, the Company has carried out physical verification for all its fixed assets. No material discrepancies were noticed on such verification.

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

Sd/-
Shabbir Readymadewala
Partner
Membership No. 100060

Place : **Mumbai**
Date : May 7, 2021

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

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

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

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : **Mumbai**
Date : May 7, 2021

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Form AOC-I
Annexure

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

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

Part "A": Subsidiaries

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

1.	**Sl. No/CIN**	:	U67200MH2020PLC349258	ACN:646479012	1217834-M
2.	**Name of the subsidiary**	:	NSDL e-Governance Account Aggregator Limited	NSDL e-Governance Australia Pty Ltd	NSDL e-Governance (Malaysia) Sdn. Bhd.
3.	**Reporting period for the subsidiary concerned, if different from the holding company's reporting period**	:	March 31, 2021*	March 31, 2021**	March 31, 2021
4.	**Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.**	:	INR	INR	As on 1st April 2020 : MYR @ INR 100 to MYR 17.58; as on 31st March 2021 : MYR @ INR 100 to MYR 17.65 and Average Rate : MYR @ INR 100 to MYR 17.61
5.	**Share capital**	:	Rs. 3,00,00,000	NIL	MYR 1,000/Rs.17,654
6.	**Reserves & surplus**	:	Rs. 52,230	Rs. (24,19,465)	MYR (2,17,942)/Rs. (38,64,964)
7.	**Total assets**	:	Rs. 3,01,20,658	NIL	MYR 25,921/Rs.4,57,608
8.	**Total Liabilities**	:	Rs. 68,428	NIL	MYR 243,863/Rs. 43,05,133
9.	**Investments**	:	NIL	NIL	NIL
10.	**Turnover**	:	NIL	NIL	NIL
11.	**Profit before taxation**	:	Rs. 69,798	Rs. (24,74,850)	MYR (5,443)/Rs. (95,870)
12.	**Provision for taxation**	:	Rs. 17,568	NIL	NIL
13.	**Profit after taxation**	:	Rs. 52,230	Rs. (24,74,850)	MYR (5,443)/Rs. (95,870)
14.	**Proposed Dividend**	:	NIL	NIL	NIL
15.	**% of shareholding**	:	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.

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	NSDL e-Governance Account Aggregator Limited
1. Latest audited Balance Sheet Date	N.A.
2.Shares of Associate/Joint Ventures held by the company on the year end	
Number	N.A.
Amount of Investment in Subsidiary/Associates/Joint Venture	N.A.
Extend of Holding %	N.A.
3. Description of how there is significant influence	N.A.
4. Reason why the associate/joint venture is not consolidated	N.A.
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	N.A.
6. Profit / Loss for the year	
i. Considered in Consolidation	N.A.
ii. Not Considered in Consolidation	

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

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

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

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Suresh Sethi
Managing Director and CEO
DIN-00059632

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : **Mumbai**
Date : August 17, 2021

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

Form No. AOC-2

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship			
Name	NSDL e-Governance Account Aggregator Limited	NSDL e-Governance Australia Pty Ltd	NSDL e-Governance (Malaysia) SDN. BHD.
Relationship	Subsidiary	Subsidiary	Subsidiary
(b) Nature of contracts/arrangements/ transactions	Investment made in equity share capital of subsidiary	Investment made in equity share capital of subsidiary	Investment made in equity share capital of subsidiary
(c) Duration of the contracts/ arrangements/ transactions	One time	One time	One time
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:			
(e) Date(s) of approval by the Board, if any:	November 29, 2019	November 19, 2020	Remitted in FY'18
(f) Amount of investment made till March 31, 2021, if any:	Rs. 300,00,000/-	Rs. 55,385/-	Rs. 42,20,100/-

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

Sd/-
Shailesh Haribhakti
Chairman
DIN-00007347

Sd/-
Suresh Sethi
Managing Director and CEO
DIN-00059632

Sd/-
Jayesh Sule
Whole Time Director
DIN-07432517

Place : **Mumbai**
Date : August 17, 2021

Sd/-
Tejas Desai
Chief Financial Officer

Sd/-
Maulesh Kantharia
Company Secretary

NOTES

NOTES

NSDL
Technology, Trust & Reach

NSDL e-GOVERNANCE
INFRASTRUCTURE LIMITED

26th
Annual Report
2020-21

REGISTERED OFFICE

1st Floor, Times Tower, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
Tel: +91 22 4090 4242 Fax: +91 22 2491 5217
e-mail: cs@nsdl.co.in website: www.egov-nsdl.co.in
CIN: U72900MH1995PLC095642