



NATIONAL E-GOVERNANCE SERVICES LIMITED

FIRST ANNUAL REPORT 2016-17



1st ANNUAL GENERAL MEETING

Date : August 2, 2017

Day : Wednesday

Time : 4.30 p.m.

Place : Management Development Institute,
Bank of India, Plot No. 30, Sector 11,
CBD Belapur, Navi Mumbai- 400 614

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CHAIRMAN'S LETTER TO THE SHAREHOLDERS

Your company has been incorporated for the specific economic objective of enhancing information infrastructure of the country. It is pertinent therefore to trace the motivation behind formation of your company and the macro-economic triggers surrounding its development in the near future.

During 2012, Shri. N. Rangachary, now Chairman of the company, was asked to chair a committee set-up by the Prime Minister's office to look into the difficulties arising in the implementation of GAAR regulations and their concomitant impact on foreign flows into India especially given India's dependence on foreign capital flows. It was felt that this committee should ensure that revenue interests of Government are supported, while the country continues to be an attractive destination for inbound capital flows and technology transfer. During the course of deliberations of the committee, it was felt that the interests of taxation could be well served by slicing & dicing data that emanate from the micro level.

It was in this backdrop that an industry initiative by the name of National Asset Depository Limited (NADeL) project was undertaken by significant Public Financial Institutions like SBI, HDFC, LIC and ICICI Bank in order to pen down such ideas. The NADeL initiative suggested that using Information Technology, existing data with public / regulated institutions could facilitate a single view of various assets to the citizens. The report received support from various public bodies including the PMO and found expression in some components of the "Digital India" initiative

NESL, came into being as an outcome of the above interaction, with spontaneous support from yourselves which included in the first instance State Bank of India, Life Insurance Corporation of India, Canara Bank, Bank of Baroda, Central Depository Services Ltd., Union Bank of India, New India Assurance Co. Ltd., ICICI Bank Ltd and Dena Bank. These institutions serve large swathes of the population of India and today NESL is committed to the same target audience through its shareholding institutions in order to further their mutually shared objectives.

The NPA challenge faced by the financial sector is quite well known. A need for a good public institution to undertake the responsibility of setting up an Information Utility (IU) is very keenly felt today more than ever. The Bankruptcy Law Reforms Committee (BLRC) chaired by Padmashri T.K. Vishwanathan paved the way for the Insolvency and Bankruptcy Code (IBC) of 2016 that has given a legal arrangement to establish Information Utilities as an instrument to establish questions of facts like borrowing, default and security interest in the course of resolution of disputes arising out of financial contracts. Accordingly, the administrative ministry, viz., the Ministry of Corporate Affairs has taken a lead role and has setup Insolvency and Bankruptcy Board of India (IBBI) in record time. IBBI has also codified the relevant regulations very swiftly such that benefits of this modern economic legislation, which is founded on encouragement to entrepreneurship, be delivered to the Nation, to enhance its ease of doing business. The critical payoff is solving NPA challenges in a definitive time frame. This in turn will help borrowers and banks facilitating the ushering in of an era of lower interest rates due to faster recycling of lent money to deserving borrowers and operational efficiencies due to the specialised interventions like the IUs and Insolvency Resolution Professionals We can already see the impact

of the IBC and its framework in the resolution mechanism, with RBI taking effective steps towards resolution of very large borrowal accounts in the context of the IBC.

Your Directors are confident of establishing a robust and state of the art IU in the following year, taking necessary steps to provide technology and services required for smooth operations and will maximize advantages of opportunities that present themselves by aggressively pursuing them. NESL aspires to become a Credit Registry that strives to be the:

1. First Registry to record all financial contracts between lenders and millions of borrowers on an electronic platform with authentication mechanism as its pivot.
2. Provider of robust services to financial institutions for enforcing their credit contracts and bringing efficiency in credit resolution.
3. Value creator for reducing cost to borrowers by facilitating quick loan resolution and resolve disputes in a definite time frame.
4. Bedrock of a superior users' experience.

On 25th May, 2017 the company had obtained an in-principle approval from the IBBI to act as an IU.

Asset Aggregator Role:

Your company also aspires to serve millions of citizens through the Digital Locker initiative by aggregating the various financial assets held by citizens. This service will be provided in line with the regulatory framework established by RBI. Accordingly, NESL has submitted its application to the RBI for permission to operate as Account Aggregator, as per RBI's NBFC(AA) directions. Specifically, in the current challenging times, citizens need to undertake financial planning for which various financial asset data like bank deposits, loans, pension funds, mutual funds, equities, debentures, Govt. securities, Public Provident Fund, National Security Certificates, are collated on a near real-time basis to give a single view that could significantly assist in planning and decision making by households. As the government has focussed on this critical policy, your company, incorporated as a union government entity, is committed to its implementation in its letter and spirit. This vertical will be undertaken by a wholly owned subsidiary of NESL.

BOARD OF DIRECTORS

Shri. N. Rangachary

Chairman

Shri. G.S. Chawla

Nominee of LIC

Prof. S. Sadagopan

Independent Director

Shri. Karnam Sekar

Nominee of SBI

Dr. Nivedita P Haran

Independent Director

Shri. P. Sanker

Nominee of ICICI Bank

Dr. Ajay Shah

Independent Director

Shri. S. Ramann

Managing Director & CEO

Shri. T.S. Vishwanath

Independent Director

Key Managerial Personnel

Shri. S. Raghunathan

ED & CFO

Smt. S. Padmavathy

Company Secretary

Senior Management

Shri. N. Mohanram

Executive Vice President- Technology

Shri. G.M. Srinivasa Bhat

Vice President- Finance & HR

Shri. P. Sankar

Vice President- IU Operations

Shri. U.Venkata Rao

Vice President- IU Operations

Shri. Debasis Pal

Vice President- IU Operations

Shri. Diwakar Kannan

Vice President- Systems

Company Information:

STATUTORY AUDITORS

M/s. G. Natesan & Co, Chartered Accountants, Chennai

REGISTERED OFFICE: I- 202, 2nd Floor, Tower No. 4, Above Belapur Railway Station, CBD Belapur,
Navi Mumbai, Thane- 400614

Website: www.nesl.co.in

CORPORATE IDENTIFICATION NO (CIN) – U72900MH2016GOI282855

REGISTRARS & TRANSFER AGENTS

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (W)

Mumbai 400 078

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting before you the **First Annual Report** of the Company, together with the Audited Financial Statements of Accounts for the period ended 31st March, 2017.

FINANCIAL RESULTS

The Company's financial performance for the year under review is given hereunder:

Particulars	2016-17 (for the period from the date of incorporation of the Company - 24th June 2016 to 31st March 2017)
Total Income	1,03,52,666
Total Expenditure	2,65,12,665
Profit Before Exceptional and Extraordinary Items and Tax	(1,61,59,999)
Exceptional Item	0.00
Profit Before Tax	(1,61,59,999)
Tax Expense:	
(i) Current Tax	-
(ii) Deferred Tax	11,18,257
Profit /(Loss) for the period from continuing operations	(1,50,41,742)
Profit /(Loss) for the period	(1,50,41,742)
Earnings per Equity Share:	
(i) Basic	(0.59)
(ii) Diluted	(0.59)

BUSINESS OVERVIEW OF THE COMPANY:

National E-Governance Services Limited ("The Company"), a Union Government company, was incorporated on 24th June 2016 as per the Companies Act, 2013 with primary focus on development of information technology, data processing, data management, systems and components.

The Company intends to register itself as an information utility Company with Insolvency and Bankruptcy Board of India and has submitted an application dated 3rd April 2017 for grant of in-principle approval in terms of Regulation 7 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 for establishing an

information utility. The Insolvency and Bankruptcy Board of India vide its letter IBBI/DGM (AK)/NESL/2017-18/25 has duly granted in-principle approval to National E-Governance Services Limited with effect from 25th May 2017 for establishing an information utility.

DIVIDEND

The company's core activity of Information Utility is to be launched soon. Other activities have been pursued vigorously and it is expected that revenue will be generated by the company in the first half of the following financial year. Hence, no dividend has been declared for the current financial year.

RESERVES:

The Company has not transferred any amount to the General Reserves during the year under review.

Statutory Disclosures Under the Companies Act, 2013

EXTRACT OF ANNUAL RETURN AS PRESCRIBED IN FORM MGT-9

An extract of the annual return as provided under sub-section (3) of section 92 in Form MGT-9 forms part of the Board's Report. **(ANNEXURE-FORM MGT-9)**

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY, THAT OCCURRED BETWEEN THE END OF THE PERIOD TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

The Board of Directors at its meeting held on 16th June 2017 approved the maintenance of books of account, associated records and papers at a place other than Registered Office of the Company pursuant to Section 128 (1) of the Companies Act, 2013 read with Rule 2A of the Companies (Accounts) Rules 2014. The Company has duly filed the necessary forms with the Registrar of Companies for maintaining the books of accounts at No. 5th Floor, Spencer Towers, 86, M.G. Road, Bengaluru-560 001.

The Allotment Committee of the Board of Directors at its meeting held on 22nd June 2017 approved the allotment of 4,95,30,000 equity shares of Rs. 10/- each by way of rights issue amounting to Rs.49,53,00,000/-.

No other Material changes and commitments have occurred after the close of the period to which these financial statements relate till the date of this Report, which affect the financial position of the Company.

ANY CHANGE IN NATURE OF BUSINESS:

There has been no change in the nature of business of the Company during the year under review.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR ALONG WITH REASONS:

The Company has no subsidiaries. Further, during the year no joint ventures or

associate companies were incorporated or ceased. There was no ceasing of any enterprises of this kind.

ENHANCEMENT OF AUTHORISED CAPITAL:

Based on the recommendation of the Audit Committee and the Board, the shareholders of the Company at the Extra-Ordinary General Meeting held on 16th February 2017 approved the enhancement of Authorised Capital of the Company from Rs. 30 Crore to Rs. 100 Crore.

DEPOSITS

In terms of the disclosure required under Section 134(3) read with Rule No. 8(5) of the Companies (Accounts) Rules, 2014, it is hereby stated that:

During the year, the Company has not accepted from the public any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 DURING THE FINANCIAL YEAR

<p>Details of any loan given to any person or other body corporate;</p> <p>Details of any guarantee given or security provided in connection with a loan to any other body corporate or person; and</p> <p>Details of acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate.</p> <p>If prior approval accorded by shareholders by special resolution in general meeting - date of the general meeting.</p>	<p style="text-align: center;">NIL</p>
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PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)

During the year under review, the Company has not entered into any contracts or

arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including any certain arms' length transactions under third proviso, except to the extent disclosed in the notes to accounts of the company.

NUMBER OF BOARD MEETINGS

During the financial year under review, the Board of Directors duly met four (4) times respectively on 7th July 2016, 19th October 2016, 18th January 2017 and 17th February 2017 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

DETAILS OF DIRECTORS /KEY MANAGERIAL PERSONNEL - APPOINTED/ RESIGNED DURING THE YEAR:

DIN	Name of Director/KMP	Designation	Date of appointment	Date of resignation
00054437	Shri. Rangachary Nambi Iyengar	First Director (Independent)	24/06/2016	-
00118285	Prof. Sowmyanarayanan Sadagopan	First Director (Independent)	24/06/2016	-
06441500	Nivedita Haran	First Director (Independent)	24/06/2016	-
01141239	Ajay Narottam Shah	Additional Director (Independent)	19/10/2016	-
07400094	Sekar Karnam	Additional Director (Nominee)	07/07/2016	-
07534356	Gurpreet Singh Chawla	Additional Director (Nominee)	07/07/2016	-
00008187	Sanker Parameswaran	Additional Director (Nominee)	18/01/2017	-
02404667	Shilpa Kumar	Additional Director (Nominee)	07/07/2016	04/11/2016
00023065	Vishwanath Thekkiam Sitaram	Additional Director (Independent)	16/06/2017	-

07685657	Sivasubramanian Ramann	Managing Director	01/12/2016	-
ARPPP8809A	Padmavathy S	Company Secretary	06/02/2017	-
AFBPR2646M	Srinivasa Raghunathan	Chief Financial Officer	16/06/2017	-
EZVPS3318K	Sushma Gavri	Company Secretary	05/10/2016	02/12/2016

Shri. Rangachary Nambi Iyengar, Dr. Nivedita Haran and Prof. Sowmyanarayanan Sadagopan were appointed as First Directors (Independent) of the Company effective from 24th June 2016 and in terms of Article 21 of the Articles of Association of the Company their respective term of office expires at the First Annual General Meeting ('AGM'). The Board of Directors at its meeting held on 19th October 2016 and 16th June 2017 have respectively appointed Dr. Ajay Narottam Shah and Shri. Vishwanath Thekkiam Sitaram as Additional (Independent) Directors. The Board recommends their appointment as Independent Directors of the Company for a period of five consecutive years and accordingly resolutions seeking approval of the members for the appointment of Independent Directors have been included in the Notice of forthcoming Annual General Meeting of the Company.

Shri. Sekar Karnam, nominated by State Bank of India and Shri. Gurpreet Singh Chawla, nominated by Life Insurance Corporation of India, were respectively appointed as Additional Directors (Nominee) with effect from 7th July 2016. Shri. Sanker Parameswaran, nominated by ICICI Bank Limited was appointed as an Additional Director (Nominee) with effect from 18th January 2017. The Board recommends their appointment as Nominee Directors of the Company and accordingly resolutions seeking approval of the members for their appointment have been included in the Notice of forthcoming Annual General Meeting of the Company.

AUDIT COMMITTEE

The Audit Committee acts as a link between the Board and the statutory auditors. The role of the audit committee includes review of financial statements, adequacy of internal financial controls, scrutiny of intercorporate loans and investments, review of the effectiveness of audit process, recommendation of changes in authorized capital and fixing of remuneration payable to statutory auditors.

As at 31st March, 2017 the Audit Committee comprised of -

1. Shri. Rangachary Nambi Iyengar- Independent Director
2. Prof. Sowmyanarayanan Sadagopan – Independent Director
3. Shri. Sekar Karnam – Nominee Director

The Audit Committee met once during the financial year 2016-2017 on 18th January 2017.

IN CASE OF A COMPANY COVERED UNDER SUB-SECTION (1) OF SECTION 178, COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178

The Nomination and Remuneration Committee is responsible for identifying persons who are qualified to be appointed in senior management. The Committee approved and recommended to the Board the remuneration payable to Shri. S. Ramann, Managing Director of the Company and Shri. S. Raghunathan, Executive Director. It also recommended the appointment of Shri. S. Raghunathan, Executive Director as the Chief Financial Officer of the Company, with effect from 16/06/2017.

As at 31st March, 2017 the Nomination and Remuneration Committee comprised of -

1. Dr. Nivedita Haran – Independent Director
2. Prof. Sowmyanarayanan Sadagopan – Independent Director
3. Shri. Sekar Karnam – Nominee Director
4. Shri. Gurpreet Singh Chawla – Nominee Director

The Nomination and Remuneration Committee met three (3) times during the financial year 2016-2017 on 7th July 2016, 19th October 2016 and 18th January 2017.

As notified by Ministry of Corporate Affairs (MCA) vide notification dated 5th June, 2015 granting exemptions and relaxations to government companies, it may be noted that sub-sections (2), (3) and (4) of Section 178 shall not apply to this Company as it is a Union Government Company except with regard to appointment of Senior Management and other Employees.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provisions of the Companies Act, 2013 on Corporate Social Responsibility do not apply to the company at the current turnover levels. The company shall take appropriate initiatives at the appropriate time, as a responsible participant in the economy.

DISCLOSURE AS REQUIRED UNDER RULE 5 (2) AND 5 (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016.

- a) During the financial year, the Company has not employed any person with the aggregate remuneration for Rs. 1,02,00,000/ per annum if employed throughout the year or Rs. 8,50,000 per month if employed for part of the year.
- b) During the financial year, the Company has employed a person for part of the year who was in receipt of remuneration in that year which, in the aggregate, is in excess of that drawn by the managing director. In accordance with the provisions of Rule 5.2 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the name and other particulars of such employee are set out in the annex to the Directors' Report. In terms of the provisions of Section 136(1) of the Companies Act, 2013 read with the said rule, the Directors' Report is being sent to all the shareholders of the Company excluding the annex. Any shareholder interested in obtaining a copy of the said annex may write to the Company.
- c) None of the employees hold by themselves or along with spouse and dependent

children, 2% or more of equity shares of the company.

DETAILS OF COMMISSION/REMUNERATION RECEIVED BY A MANAGING DIRECTOR/WHOLE-TIME DIRECTOR OF THE COMPANY FROM THE COMPANY'S HOLDING OR SUBSIDIARY COMPANY

As notified by Ministry of Corporate Affairs (MCA) vide notification dated 5th June, 2015 that grants exemptions and relaxations to government companies, the provisions of Section 197(14) with regard to disclosure of details of any remuneration /commission/received by the Managing Director/Whole-time Director, if any from the Company's holding or subsidiary company are not applicable.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (a) in the preparation of the annual accounts, 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;
- (i) the directors confirm that no frauds were reported by auditors under sub-section (12) of section 143;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) 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.

DECLARATION BY INDEPENDENT DIRECTOR(S) AND RE- APPOINTMENT, IF ANY

The Company has received necessary declaration from each Independent Director of the Company under Section 149 (7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149 (6).

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

The Company is a Union Government Company which has not accepted any deposits from the public and has not borrowed money from banks and public financial institutions in excess of fifty crore rupees. Consequently in terms of Section 177(9) of the Companies Act, 2013 read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, establishment of vigil mechanism is not required.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to

sexual harassment at workplace of any women employee.

The Company has adopted a policy for prevention of Sexual Harassment of Women at workplace. During the year Company has not received any complaint of harassment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

<p>(A) Conservation of energy: Steps taken / impact on conservation of energy, with special reference to the following: (i) Steps taken by the company for utilizing alternate sources of energy including waste generated (ii) Capital investment on energy conservation equipments</p>	
<p>(B) Technology Absorption:</p> <ol style="list-style-type: none">1. Efforts, in brief, made towards technology absorption.2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:<ol style="list-style-type: none">(a) Details of technology imported.(b) Year of import.(c) Whether the technology been fully absorbed(d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.	<p>Your Company's operations do not involve any manufacturing or processing activities, therefore, the particulars regarding conservation of energy and technology absorption, are not applicable.</p>

4. Expenditure incurred on Research and Development	
(C) Foreign exchange earnings and Outgo:	
a) Foreign exchange Earnings	NIL
b) Foreign exchange Outgo	NIL

ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any equity shares with differential rights during the year under review.

ISSUE OF SWEAT EQUITY SHARES

The Company has not issued any sweat equity shares during the year under review.

EMPLOYEES STOCK OPTION SCHEME:

The Company has not implemented any Employees Stock Option Scheme during the year under review.

PROVISION OF MONEY BY COMPANY FOR PURCHASE OF ITS OWN SHARES BY EMPLOYEES OR BY TRUSTEES FOR THE BENEFIT OF EMPLOYEES.

The Company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

A STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY

The Company is in the business of collecting and storing validated information relating to credits of lenders, using technology and other processes. The Company is taking adequate safe guards in handling customer data and related processes with the deployment of appropriate technological solutions and security systems, standard to such operations. As such, the company does not envisage any major threat to its existence, emanating from its operations. The Company has in place a business risk management framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy and formulated bye-laws for its operational and technology processes in tune with regulatory and other requirements as stipulated or found necessary.

OTHER DISCLOSURES

- a) The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future;

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

- b) The details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has adequate internal control systems commensurate with the size of the Company and the nature of its business. The Company has a continuous monitoring mechanism which enables the organization to maintain consistent standard of control systems and helps them in managing any default on timely basis because of strong reporting mechanisms followed by the company.

- c) In case of any revision of financial statements or Board's report made during the financial year, detailed reasons for revision of financial statements or Board's report to be disclosed.

No revision of financial statements or Board's report was made during the financial year.

A STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Section 134(p) of the Companies Act, 2013 read with Rule 8 (4) of the Companies (Accounts) Rules, 2014 stipulates that every listed company and every other public company having a paid up share capital of twenty five crore rupees or more calculated at the end of the preceding financial year shall include, in the report by its Board of directors, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.

The Company is a Government Company. The Ministry of Corporate Affairs (MCA) vide notification dated 5th June, 2015 has granted exemptions and relaxations to government companies and consequently Section 134(p) of the Companies Act, 2013 read with Rule 8 (4) of the Companies (Accounts) Rules, 2014 are not applicable.

Auditors

Statutory Auditors

M/s G. Natesan & Co, Chartered Accountants, were appointed as the Statutory Auditors of the company for the period ending 31st March 2017 by the Board of Directors and the appointment was approved by the office of C&AG. The Board of Directors of your Company has fixed Rs. 50,000 plus applicable tax as the Statutory Audit fees.

Comments of C&AG of India

Comments of C&AG of India on the accounts for the period ended 31 March, 2017 is furnished in Annexure-1.

ACKNOWLEDGEMENT

Your directors place on record their sincere thanks to bankers, business associates, consultants, Legal counsels, Indian Bank's Association, Technology Committee of the Company, Insolvency and Bankruptcy Board of India, Reserve Bank of India, Ministry of Corporate Affairs and various Government authorities for their continued support extended to your company's activities during the period under review. Your directors also acknowledge gratefully the shareholders for their support and confidence reposed in your company. The Directors thank the C&AG and their officials for extending support and guidance. The Directors also wish to place on record their appreciation of the devoted and dedicated services rendered by all employees of the Company.

By Order of the Board of Directors

For NATIONAL E-GOVERNANCE SERVICES LIMITED

**Sd/-
Chairman**

**Sd/-
Managing Director**

Date: 20/07/2017

Place: Bengaluru

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U72900MH2016GOI282855
ii	Registration Date	24th June 2016
iii	Name of the Company	National E-Governance Services Limited
iv	Category/Sub-category of the Company	Union Government Company
v	Address of the Registered office & contact details	I-202, 2nd Floor, Tower No. 4, Above Belapur Railway Station, CBD Belapur, Navi Mumbai, Thane- 400614
vi	Whether listed company	Company limited by shares
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd.

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Information Utility Services		-

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	N/A				
2	N/A				
3	N/A				

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	0	0		0%		0	0	0%	0	0
b) Central Govt. or State Govt.										
c) Bodies Corporates										
d) Bank/FI	25,470,000	0	25,470,000	100%	25,470,000	0	25,470,000	0%	0	0
e) Any other										
SUB TOTAL:(A) (1)	25,470,000	0	25,470,000	100%	25,470,000	0	25,470,000	0%	0	0
(2) Foreign										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
SUB TOTAL (A) (2)										
Total Shareholding of Promoter										
(A)= (A)(1)+(A)(2)	25,470,000	0	25,470,000	100%	25,470,000	0	25,470,000	0%	0	0
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI										
c) Central govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):										
(2) Non Institutions										
a) Bodies corporates										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs										
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs										
c) Others (specify)										
SUB TOTAL (B)(2):										
Total Public Shareholding (B)= (B)(1)+(B)(2)										
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	25,470,000	0	25,470,000	100%	25,470,000	0	25,470,000	100%	0	0

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Name of the Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to	
1	Life Insurance Corporation	4,500,000	17.67%	-	4,500,000	17.67%	-	NIL
2	State Bank of India	3,000,000	11.78%	-	3,000,000	11.78%	-	NIL
3	Canara Bank	3,000,000	11.78%	-	3,000,000	11.78%	-	
4	Bank of Baroda	3,000,000	11.78%	-	3,000,000	11.78%	-	
5	Dena Bank	3,000,000	11.78%	-	3,000,000	11.78%	-	
6	New India Assurance Co. Ltd	1,500,000	5.89%	-	1,500,000	5.89%	-	
7	Union Bank of India	1,500,000	5.89%	-	1,500,000	5.89%	-	
8	Central Depository Services (India) Ltd	3,000,000	11.78%	-	3,000,000	11.78%	-	NIL
9	ICICI Bank	2,970,000	11.66%	-	2,970,000	11.66%	-	NIL
	Total	25470000	100.00%	-	25470000	100.00%	-	

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	There were no changes in the shareholding of the promoters during the year.			
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	As per Table (ii) above			
	At the end of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors & KMP

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	For Each of the Directors & KMP				
Nil					

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				Total Indebtedness
	Secured Loans excluding deposits	Unsecured Loans	Deposits	
Indebtness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Additions		NIL		
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

Note: The Company has not borrowed any amount during the year.

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Shri. S. Ramann, Managing Director & CEO
1	Gross salary	
	(a) Salary as per provisions	1,428,470
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission as % of profit	-
5	Others, please specify	-
	Total (A)	1,428,470
	Ceiling as per the Act*	Exempt as per MCA notification dated June 5, 2015

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors	
1	Independent Directors		
	(a) Fee for attending board committee meetings	Shri. N. Rangachary	125,000
		Dr. Nivedita Haran	125,000
		Shri. S. Sadagopan	150,000
		Shri. Ajay Shah	50,000
	(b) Commission	-	-
	(c) Others, please specify	-	-
	Director Remuneration	-	-
	Director Remuneration	-	-
	Total (1)		450,000
2	Other Non Executive Directors		
	(a) Fee for attending board committee meetings	Shri. G.S. Chawla (Nominee of Life Insurance Corporation of India)	125,000
		Shri. P. Sanker (Nominee of ICICI Bank Ltd.)	75,000
		Shri. Karnam Sekar (Nominee of State Bank of India)	150,000
	(b) Commission	-	-
	(c) Others, please specify.	-	-
	Total (2)	-	350,000
	Total (B)=(1+2)		800,000
	Total Managerial Remuneration		2,228,470
	Overall Cieling as per the Act.	Exempt as per MCA notification dated June 5, 2015	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
1	Gross Salary	Shri. S.Raghunathan, CFO	Smt. S.Padmavathy, CS	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2,440,417	60,654	2,501,071
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	others, specify			
	Total	2,440,417	60,654.00	2,501,071

PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

भारतीय लेखापरीक्षा तथा लेखा विभाग
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
तथा पदेन सदस्य, लेखापरीक्षा बोर्ड-1, मुंबई



INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF
COMMERCIAL AUDIT & EX-OFFICIO MEMBER,
AUDIT BOARD-I, MUMBAI

गोपनीय/शीघ्र डाक

संख्या: जी ए/सीए III/ नेशनल ई-गवर्नेंस /लेखा/2016-17/80

सेवा में,

19/07/2017

The Managing Director & CEO,
National E-Governance Services Limited,
5th Floor, Tower No. 4, Above Belapur Railway Station,
CBD Belapur,
Navi Mumbai 400 614

विषय: 31 मार्च 2017 को समाप्त वर्ष हेतू नेशनल ई-गवर्नेंस सर्विसेज लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

31 मार्च 2017 को समाप्त वर्ष हेतू नेशनल ई-गवर्नेंस सर्विसेज लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक के द्वारा दी गई टिप्पणियाँ इस पत्र के साथ संलग्न हैं। टिप्पणियों को मुद्रित वार्षिक प्रतिवेदन के विषयसूची में उचित संकेत सहित सांविधिक लेखापरीक्षक के प्रतिवेदन के आगे रखा जाये।

वार्षिक सामान्य बैठक के समापन के पश्चात, वित्तीय विवरणों, सांविधिक लेखापरीक्षक का प्रतिवेदन तथा भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियों को अपनाते हुए सामान्य वार्षिक बैठक की कार्यवाही की एक प्रतिलिपि इस कार्यालय को अविलंब अग्रेषित की जाए। मुद्रित वार्षिक रिपोर्ट की दस प्रतियाँ भी इस कार्यालय को भेजी जायें।

कृपया इस पत्र एवं संलग्नकों की प्राप्ति की सूचना दें।

भवदीया,

(रूप राशि)

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा तथा
पदेन सदस्य, लेखापरीक्षा बोर्ड -1, मुंबई

संलग्न: यथोपरि।

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NATIONAL E-GOVERNANCE SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of National E-Governance Services Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 June 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of National E-Governance Services Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

For and on the behalf of the
Comptroller and Auditor General of India



(Roop Rashi)

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-I, Mumbai

Place : Mumbai

Date : 19 July 2017

G. NATESAN & Co.,
Chartered Accountants



Head Office :
7/1, Fourth Street,
Abiramapuram,
Chennai - 600 018.

INDEPENDENT AUDITORS' REPORT

THE MEMBERS
NATIONAL E-GOVERNANCE SERVICES LTD
MUMBAI

Report on the Financial Statements

1. We have audited the accompanying financial statements of **NATIONAL E-GOVERNANCE SERVICES LTD** ('The Company'), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cashflow statement for the period ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated under Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Ph : 2499 5430, 2499 1385, 94430 70401, 94431 28378

email : jkmuralica@gmail.com

Branches : Kumbakonam, Tanjore, Trichy, Kochi, Bangalore, Hyderabad, Chennai.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;



- (b) in the case of the Statement of Profit and Loss, of the Loss of the Company for the period ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

10. 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, please refer to our separate report in "Annexure A" forming part of this report.



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

i. The Company does not have any pending litigations.

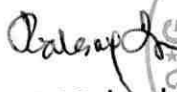
ii. The Company did not have any long-term contracts including derivative contracts.

iii. There has been no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The company did not hold and did not have any dealings in Specified Bank Notes during the period from 8th November to 30th December 2016. This fact has been appropriately disclosed in the financial statements and concurs with the books of account.

h. As required by C&AG of India through sub-directions dated 22-01-2016, issued under Section 143(5) of the Companies Act, we give our report in the attached Annexure C.

For G.Natesan & Co
Chartered Accountants
Firm Regn No: 002424S



CA J. Balasubramanian
Partner
M.No. 24828



Chennai-600 018
28.6.2017



ANNEXURE - A TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NATIONAL E-GOVERNANCE SERVICES LTD** as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

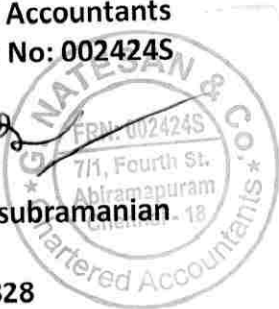
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting 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.

For G.Natesan & Co
Chartered Accountants
Firm Regn No: 002424S



CA J. Balasubramanian
Partner
M.No.24828



Chennai-600 018
28.6.2017



ANNEXURE -B TO THE AUDITORS' REPORT

With reference to the Annexure B referred to in our Independent Auditors' Report to the Members of **NATIONAL E-GOVERNANCE SERVICES LTD** on the accounts for the period ended 31st March 2017, and on the basis of such checks of the company as was considered appropriate and on verification of the books and records of the company as was considered appropriate and on the basis of the information and explanations given during the course of audit, we report that;

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Management of the Company has a regular program of physical verification of its fixed assets at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The company does not own any immovable property.
- (ii) The company does not have or hold any inventory.
- (iii) 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.
- (iv) The Company has not entered into any transaction of the nature specified in Sections 185 & 186 of the Companies Act, 2013.
- (v) The company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii)(a) The company is generally regular in depositing undisputed statutory dues provident fund, employees' state insurance, income-tax, service tax and other statutory dues to the appropriate authorities.
- (b) According to the records of the company examined by us and according to the information and explanations given to us there are no statutory dues of service tax or value added tax or duty of customs or duty of excise that have not been deposited on account of any dispute.



(viii) According to the records of the company examined by us and according to the information and explanations given to us the Company has not obtained any loans from any financial institution or bank. The company has no debentures.

(ix) The company has not made any public offer of its capital, during the period under review.

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

(xi) According to the information and explanations given to us and on the basis of examination of the books of accounts and records we report that the company has paid/provided for Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.

(xii) The company is not a Nidhi company.

(xiii) According to the information and explanations given to us and on the basis of examination of the books of accounts and records we report transactions with related parties are in compliance with Section 177 & 188 of the Companies Act where applicable and details of such transactions haven disclosed as required by the applicable accounting standards.

(xiv) The company has not made any preferential allotment or private placement of shares during the year under review. The company does not have debentures.

(xv) According to the information and explanations given to us and on the basis of examination of the books of account and records we report that the company has not entered into any non-cash transaction with any Director or persons connected with him.

(xvi) The company is not required to be registered under Section 45IA of the Reserve Bank of India Act, 1934.

For G.Natesan & Co
Chartered Accountants
Firm Regn No: 002424S



CA J. Balasubramanian
Partner
M.No.24828



Chennai – 600 018
28.6.2017

Annexure C

REPORT ON THE DIRECTIONS ISSUED BY CAG UNDER Section 143(5) of the Companies Act, 2013,

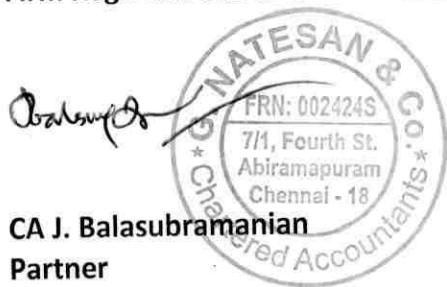
As referred to at Para h of the Independent Auditor's Report on the financial statements of NATIONAL E-GOVERNANCE SERVICES LTD

QUESTIONS	ANSWERS
1. Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	The company does not own any immovable property.
2. If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	Not Applicable
3. Please report whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	No
4. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	The company has no inventories and received no gifts.
5. A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	This is the first year of operation of the Company and there are no litigations.



SPECIFIC FOR THE COMPANY – SERVICE SECTOR	
6. Whether the Company has an effective system for recovery of dues in respect of its leasing out of premises and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?	No revenues have been generated by the company and hence there are no receivables.
7. Whether the Company has effective system for fixation of rental value of its premises?	The company does not own any premises.
8. Whether the Company has effective system for revision of rent periodically?	Not applicable

For G.Natesan & Co
Chartered Accountants
Firm Regn No: 002424S



CA J. Balasubramanian
Partner
M.No.24828

Chennai-600 018
28.6.2017

NATIONAL E-GOVERNANCE SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No	As at 31.3.2017
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share Capital	2	2547,00,000
(b) Reserves and Surplus-Profit & Loss Account-Debit Balance	3	(150,41,742)
(2) Share Application Money Pending Allotment		1725,00,000
(3) Current Liabilities		
(a) Trade Payables	4	18,23,725
(b) Other Current Liabilities	5	10,59,838
		4150,41,821
II. Assets		
(1) Non-current assets		
(a) Fixed Assets	6	
(i) Property, Plant & Equipment-Tangible		7,78,482
(ii) Intangible Assets		16,743
Deferred tax Asset (Net)	7	11,18,257
(2) Current assets		
(a) Investments	8	198,23,773
(b) Cash and cash equivalents	9	3909,60,521
(c) Short term Loans and Advances	10	12,39,821
(d) Other Current Assets	11	11,04,224
		4150,41,821

Significant Accounting Policies 1
 Other notes accompanying the financial statements 15
 The accompanying notes are an integral part of the financial statements.

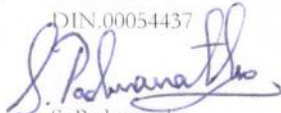
For and Behalf of the Board of Directors


As per our attached report
 of even date
For G. Natesan & Co
 Chartered Accountants
 Firm Reg.No.02424S


 N. Rangachary
 Chairman
 DIN.00054437


 S. Ramann
 Managing Director & CEO
 DIN.07685657


 S. Raghunathan
 ED & Chief Financial Officer
 DIN.07615088


 S. Padmavathy
 Company Secretary
 M.No.A37997


 J. Balasubramanian
 Partner
 Mem.No.24828

Date : 28-06-2017
 Place : New Delhi



NATIONAL E-GOVERNANCE SERVICES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 24TH JUNE 2016 TO 31ST MARCH 2017

Particulars	Note No	Period ended 31.3.2017
Income :		
Revenue from operations		-
Other Income	12	103,52,666
Total Revenue	[A]	103,52,666
Expenses:		
Employee Benefit Expenses	13	56,37,541
Depreciation	6	1,51,138
Other Expenses	14	207,23,986
Total Expenses	[B]	265,12,665
Loss before Exceptional & Extraordinary Items and tax	[A - B]	(161,59,999)
Deferred Tax		11,18,257
Profit/(Loss) for the period from continuing operations		(150,41,742)
Profit/(Loss) for the period		(150,41,742)
Earning per equity share of face value of Rs.10 each:(Amount in Rs.)		(0.59)
Basic & Diluted		(0.59)

Significant Accounting Policies

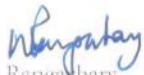
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Other notes accompanying the financial statements

15

The accompanying notes are an integral part of the financial statements.

For and Behalf of the Board of Directors

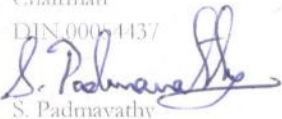


N. Rangachary
Chairman
DIN.0004437



S. Ramann
Managing Director & CEO
DIN.07685657

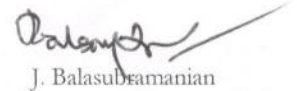

S. Raghunathan
ED & Chief Financial Officer
DIN.07615088



S. Padmavathy
Company Secretary
M.No.A37997

As per our attached report
of even date

For G. Natesan & Co
Chartered Accountants
Firm Reg.No.02424S



J. Balasubramanian

Partner
Mem.No.24828

Date : 28-06-2017


Place : New Delhi



NATIONAL E-GOVERNANCE SERVICES LIMITED
STATEMENT OF CASH FLOWS for the period from 24th June 2016 to 31st March 2017

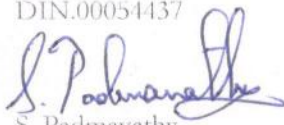
PARTICULARS	PERIOD ENDED MARCH 31, 2017
Cash Flow from Operating Activities :	
Profit/ (Loss) for the period	(161,59,999)
Adjustment to reconcile net profit to net cash provided by operating activities	
Depreciation	1,51,138
Profit from Sale of Mutual Funds	(23,773)
Interest Income	(103,28,893)
Change in Assets & Liabilities	
Trade Payables	18,23,725
Other Current Liabilities	10,59,838
Short term loans and advances	(2,09,318)
Other Current Assets	(11,04,224)
Cash generated from operations	(247,91,506)
Income Taxes paid	(10,30,503)
NET CASH GENERATED BY OPERATING ACTIVITY	(258,22,009)
Cash Flow from Investing Activities	
Expenditure on property plant and equipment	(9,46,363)
Gain on redemption of mutual funds	23,773
Interest received on investments	103,28,893
Payment to acquire liquid mutual funds	(198,23,773)
NET CASH USED IN INVESTING ACTIVITIES	(104,17,470)
Cash Flow from Financing Activities	
Issue of Shares	2547,00,000
Share Capital Pending Allotment	1725,00,000
NET CASH GENERATED IN FINANCING ACTIVITIES	4272,00,000
Net increase in Cash or Cash equivalents	3909,60,521
Cash and Cash Equivalent at the beginning	-
Cash and Cash Equivalent at the close	3909,60,521

For and Behalf of the Board of Directors



N. Rangachary
Chairman
DIN.00054437


S. Ramann
Managing Director & CEO
DIN.07685657


S. Raghunathan
ED & Chief Financial Officer
DIN.07615088


S. Padmavathy
Company Secretary
M.No.A37997

As per our attached report
of even date
For G. Natesan & Co
Chartered Accountants
Firm Reg.No.02424S


J. Balasubramanian
Partner
Mem.No.24828

Date : 28-06-2017
Place : New Delhi



Note. 1

Significant Accounting Policies:**Basis for preparation of Financial Statements:**

The accompanying financial statements are prepared under the historical cost convention, on accrual basis of accounting and on the principles of a going concern. These statements comply in all material respects, with the mandatory accounting standards (AS) as prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act to the extent notified.

The accounting policies will be consistently applied by the company except where a newly issued accounting standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP').

All assets and liabilities have been classified as current or non-current assets and liabilities as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the operations and the time between application of resources and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of classification of current and non-current classification of assets and liabilities.

Use of Estimates:

The preparation of financial statements in conformity with AS and GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements which the management believes are prudent and reasonable. Actual result could differ from these estimates. Any revision to accounting estimates is recognized prospectively.

Property, Plant & Equipment:

Property, Plant & Equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Costs directly attributable to acquisition are capitalized until the property plant & equipment are ready for use, as intended by the management. Cost is the cash price equivalent at the recognition date.



NATIONAL E-GOVERNANCE SERVICES LIMITED

Statement of Significant Accounting Policies

The company depreciates property, plant & equipment over their estimated useful lives using the Written Down Value method in accordance with the guidance given in Schedule II of the Companies Act, 2013. Each part of an item of property plant and equipment with a cost that is significant in relation to the total cost of the item, is depreciated separately.

Net realizable value of an asset is estimated @ 5% of the total cost of the asset. The useful life of the asset is applied in accordance with the specification of Schedule II to Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed periodically, at least at the end of each financial year.

Subsequent expenditure relating to property, plant & equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statement upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Assets retired from active use and held for disposal are reported at the lower of carrying value or the fair value less estimated cost to sell. Any write down is recognized in the Statement of Profit and Loss.

The cost of the fixed assets which are not ready for their intended use on the balance sheet date are disclosed under capital work-in-progress; advances paid towards the acquisition of fixed assets which are outstanding at each balance sheet date are disclosed under 'loans and advances' and grouped as 'non-current'.

Intangible Assets:

Intangible assets are carried at cost less accumulated amortization and impairment losses if any. The cost of an intangible asset comprises its purchase price including any import duties and other taxes (other than subsequently recoverable from the tax authorities) and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Investments :

Investments are classified into long term and current investments.



NATIONAL E-GOVERNANCE SERVICES LIMITED

Statement of Significant Accounting Policies

Long term investments are carried at cost and provision is made to recognize any decline in the value other than temporary in the value of such investments.

Current investments are carried at the lower of cost or fair / market value and provision is made to recognize any decline in the carrying value of the investments.

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses is recognized in the profit and loss statement.

When long term investments are reclassified as current investments, transfers are made at the lower of cost and carrying amount at the date of transfer. Where investments are reclassified from current to long term, transfer are made at the lower of cost and fair value at the date of transfer.

Impairment of Assets:

An impairment loss is recognized whenever the carrying amount of such assets exceeds its recoverable amount. Impairment loss is recognized in the Profit and Loss account. In assessing the value in use, the estimated future cash flows are discounted to their present value based on appropriate discount factor.

Accounting for Taxes on Income:

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, after taking into consideration, the applicable deductions and exemptions admissible under the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Earnings per Share:

Basic earnings per share is calculated by dividing the Net Profit attributable for the period to equity shareholders by the weighted average number of shares outstanding during that period.

Foreign Currency Translations:

Initial recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency



and foreign currency at the date of the transaction.

Subsequent recognition

As at the reporting date, non monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non monetary items which are carried at fair value or other similar valuation are denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences:

Exchange difference arising on the settlement of monetary items or on reporting monetary items of the company at the rates different from those at which they were initially recorded or reported in the previous financial statements are recognised as income or expense in the year in which they arise.

There are no operations in foreign countries.

Provisions, Contingent Liability and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate can be made of the amount of the obligation.

Disclosures for contingent liability are made when the company has a possible obligation and it is probable that an outflow of resources embodying economic benefits may not be required to settle the obligation.

Contingent assets are normally not recognized in the financial statements. However, they are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

Revenue Recognition:

All income and expenses are accounted on an accrual basis.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable on the instrument.

Employee Benefits:

All employee benefits payable within 12 months from rendering of service are classified as short term employee benefits and are recognised in the period in which they are recognised.

Retirement benefits in the form of Provident Fund Scheme and Superannuation Scheme are defined contribution schemes. Contributions to the schemes are expensed during the period when the contributions are due. Policies on Retirement benefits in the form of gratuity and leave encashment are to be formulated.



NATIONAL E-GOVERNANCE SERVICES LIMITED

Notes to Balance Sheet as at 31st March, 2017

Particulars	For the period As At 31.3.2017
Note 2 : Share Capital	
AJ. Authorised Share Capital:	
10,00,00,000 Number of Equity shares of Rs. 10/- each.	10000,00,000
	10000,00,000
BJ. Issued, Subscribed and Fully Paid up Share Capital:	
To the subscribers of memorandum	
2,54,70,000 Number of Equity shares Rs. 10/- each.	2547,00,000
Paid up share capital by allotment	2547,00,000

Note :

(i) The company has only one class of equity shares having a par value of Rs 10/- per share . All the equity shares rank pari passu with the existing shares. Each holder of equity share is entitled to one vote per share.

(ii) In the event of liquidation of the company the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

(iii) The details of shareholders holding more than 5% shares as at March 31,2017 are as follows:

Name of Shareholder	No. of Shares	% of Holding
Life Insurance Corporation	45,00,000	17.67%
State Bank of India	30,00,000	11.78%
Canara Bank	30,00,000	11.78%
Bank of Baroda	30,00,000	11.78%
Dena Bank	30,00,000	11.78%
New India Assurance Co. Ltd	15,00,000	5.89%
Union Bank of India	15,00,000	5.89%
Central Depository Services (India) Ltd	30,00,000	11.78%
ICICI Bank	29,70,000	11.66%
Total	254,70,000	100%




NATIONAL E-GOVERNANCE SERVICES LIMITED
Notes to Balance Sheet as at 31st March, 2017

Note 3 : Reserves and Surplus	As At 31.3.2017
Deficit in Statement of Profit and Loss	-
Add: Loss for the period	(150,41,742)
Total (A+B)	(150,41,742)
Note 4 : Trade Payables	
(i) Total outstanding dues of micro enterprises and small enterprises	-
(ii) Total outstanding dues of creditors other than Micro and small enterprises	
(A) Related Parties	-
(B) Others	
i) Creditors for supplies & services	14,53,812
ii) Creditors for expenses	3,69,913
Total	18,23,725
Note 5 : Other Current Liabilities	
Statutory Liabilities	10,59,838
Total	10,59,838






NATIONAL E-GOVERNANCE SERVICES LIMITED
Notes to Balance Sheet as at 31st March, 2017

Note 6 : Property, Plant & Equipment-Tangible & Intangible Assets

Description	Gross Block			Depreciation			Net Block W/DV as on 31/03/2017	
	As on 01/04/2016	Additions 2016-17	Deletion	As on 31/03/2017	As on 01/04/2016	For the Period		Withdrawals Upto 31-Mar-17
Vehicles	-	8,38,906	-	8,38,906	-	1,46,342	1,46,342	6,92,564
Computers	-	89,957	-	89,957	-	4,039	4,039	85,918
Total	-	9,28,863	-	9,28,863	-	1,50,381	1,50,381	7,78,482
Intangible-Software		17,500		17,500		757	757	16,743

	31.03.2017		
	Face Value	No. of Units	Book Value
Investments in Mutual Funds (Unquoted and Fully paid up)			
SBI Magnum Insta Cash Fund	1000	2,755.60	98,23,773
SBI Short Term Debt Fund	10	2,63,525.44	50,00,000
UTI Mutual Fund	10	5,00,000	50,00,000
			198,23,773
Market Value/Repurchase price of Unquoted Investments			201,20,254

Basis of Valuation : Mutual Funds are valued at lower of cost or market value/ fair value



(Handwritten signature)

NATIONAL E-GOVERNANCE SERVICES LIMITED
Notes to Balance Sheet as at 31st March, 2017

Note 7 : Deferred Tax Asset	As at 31.03.2017
Depreciation	74,248
Preliminary Expenses u/s 35D	10,44,009
	11,18,257
Note 9: Cash and Cash Equivalents	As at 31.03.2017
Cash in Hand-In Indian Currencies	3,405
Balance with banks	
In Current Account-un Encumbered	48,57,116
In Deposit Account-Un encumbered maturing within 12 months from the date of Balance Sheet	3861,00,000
Total	3909,60,521
Note 10 : Short Term Loans and advances	As at 31.03.2017
Income Tax -TDS	10,30,503
Cenvat Credit	2,09,318
Total	12,39,821
Note 11 : Other Current Assets	As at 31.03.2017
Income Accrued but not due on Fixed Deposits	11,04,224
Total	11,04,224






NATIONAL E-GOVERNANCE SERVICES LIMITED

Notes to Statement of Profit and Loss for the period from 24th June 2016 to 31st March, 2017

Particulars	For the period ended 31 March, 2017
Note 12: Other Income	
(i) Interest on Fixed Deposits with State Bank of India	103,28,893
(ii) Gain on redemption of Mutual Funds-Current Investments	23,773
Total	103,52,666
Note 13 : Employee Benefit Expenses	
(i) Salary & Allowances	35,38,240
(ii) Contribution to Provident Fund & Superannuation Funds	4,84,420
(iii) Remuneration to Managing Director	14,28,470
(iv) Staff Welfare Expenses	1,86,411
Total	56,37,541
Note 14: Other Expenses	
(i) Rent	11,43,442
(ii) Repairs & Maintenance	1,06,373
(iii) Subscription, Rates & Taxes	69,68,200
(iv) Professional charges	25,12,550
(v) Communication Expenses	1,11,429
(vi) Advertisement & Business Promotion	5,17,582
(vii) Auditors' Remuneration Audit fees-Statutory Audit	57,500
(viii) Travelling & Conveyance	41,95,448
(ix) Directors' Sitting Fees-Board Meetings	8,00,000
(x) Preliminary Expenses written off	42,23,336
(xi) Miscellaneous Expenses	88,126
Total	207,23,986



Note. 15

Notes to Accounts for the period from 24.6.2016 to 31.3.2017

The company was incorporated on 24th June, 2016. The company is in the business of performing the roles of Information Utility under the Insolvency and Bankruptcy Code, 2016, Account aggregation, providing Centralised Know Your Customer (CKYC) and E-Sign services, etc. relating to E-Governance.

1. Remuneration to Key Managerial Personnel (related parties):

Key Management Personnel	Nature of Payment	Amount in Rs.	Balances at the end of the period
Shri. S. Ramann, Managing Director (w.e.f.-1.12.16)	Remuneration, Allowances & Contribution to Retirement Benefits	1,428,470	88,918
Shri S. Raghunathan, Executive Director & CFO (CFO w.e.f.- 16.6.17)	Remuneration, Allowances & Contribution to Retirement Benefits	24,40,417	Nil
Smt. S. Padmavathy, Company Secretary (w.e.f.- 6.2.17)	Remuneration, Allowances & Contribution to Retirement Benefits	60,654	Nil
Sushma Gavri Former Company Secretary (w.e.f.- 5.10.16 to 2.12.16)	Remuneration, Allowances & Contribution to Retirement Benefits	44,303	12,633

2. No provision to taxation is considered necessary in the absence of taxable income.
3. Deferred Tax Asset is recognized on the Preliminary Expenses available for carry forward and write off u/s 35D of the Income Tax Act, 1961 and on the timing difference of depreciation.
4. The earnings per share:

Basic and Diluted: Rs. (0.59)



NATIONAL E-GOVERNANCE SERVICES LIMITED
Notes to Accounts for the period from 24.6.2016 to 31.3.2017

5. There are no transactions in foreign currency.
6. There are no transactions with related parties during the period nor balances outstanding as at 31st March, 2017 due to such relationships under section 188 of the Companies Act, 2013, except to the extent mentioned in note no. 1 above.
7. Share Application money of Rs. 17,25,00,000 as at 31st March, 2017 comprises amounts received on account of rights issue and those received from applicants where the rights issue was not taken up by existing shareholders. The details of such applicants, amounts received, number of shares applied for, number of shares to be allotted and number of shares since allotted are given below:



Serial Number	Date of Application	Name of the Applicant	Amount received on subscription (Rs.)	Number of Shares Applied for	Number of Shares Allotted
1.	14-Feb-17	Punjab National Bank	3,75,00,000	37,500,000	37,500,000
2.	14-Mar-17	United India Insurance Co. Ltd.	1,50,00,000	15,000,000	15,000,000
3.	16-Mar-17	Bank of Baroda	4,50,00,000	45,000,000	45,000,000
4.	23-Mar-17	Union Bank of India	2,25,00,000	22,500,000	22,500,000
5.	24-Mar-17	HDFC	3,75,00,000	37,500,000	37,500,000
6.	27-Mar-17	NABARD	1,50,00,000	15,000,000	15,000,000
Total			17,25,00,000	1,72,50,000	1,72,50,000

The above shares were allotted in full on 22nd June, 2017 by a committee of directors nominated by the Board.

8. There are no parties who are registered as micro and small enterprises under the "The Micro, Small and Medium Enterprises Act, 2006" to whom the company has paid interest for delayed payment or any such interest is payable on balances outstanding as at March 31, 2017.
9. The company did not hold and/or transact in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016.

Particulars	SBNs	Other Denominations	Total
Closing Cash as on 08.11.2016	Nil	40,000	40,000



NATIONAL E-GOVERNANCE SERVICES LIMITED
Notes to Accounts for the period from 24.6.2016 to 31.3.2017

Permitted Receipts	Nil	20,000	20,000
Permitted Payments	Nil	20,728	20,728
Closing Cash as on 30.12.2016	Nil	39,272	39,272

10. This is the first period of operations of the company, representing the period from 24.06.2016 to 31.03.2017 and therefore no comparative figures for the previous period/year have been provided in the financial statements.

