



NATIONAL E-GOVERNANCE SERVICES LIMITED

FIFTH ANNUAL REPORT  
2020-21

Regd. Office: 4<sup>th</sup> floor, Gresham Assurance House, Sir P M Road, Fort, Mumbai-400001.

Phone 022-62606655 Email: [nesl@nesl.co.in](mailto:nesl@nesl.co.in) CIN U72900MH2016GOI282855

Website: [www.nesl.co.in](http://www.nesl.co.in)

5<sup>th</sup> Annual General Meeting

Date: 23 September, 2021

Day: Thursday

Time: 12.00 Noon

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# BOARD OF DIRECTORS

## **SARVASHRI**

RAMASUBRAMANIAM GANDHI  
PROF. S SADAGOPAN  
DR. NIVEDITA HARAN  
PARKASH CHAND  
ANINDYA BANERJEE  
NATARAJAN SUNDER  
DEBAJYOTI RAY CHAUDHURI

INDEPDNENT DIRECTOR  
INDEPENDENT DIRECTOR  
INDEPENDENT DIRECTOR  
NOMINEE OF LIC  
NOMINEE OF ICICI BANK  
NOMINEE OF SBI  
MANAGING DIRECTOR & CEO

## **Senior Management**

Smt. E P Nivedita

Executive Director

## **Key Managerial Personnel**

Vinod Shenoy M  
Mruthunjaya Murthy  
Diwakar Kannan

Chief Financial Officer  
Company Secretary & Legal Counsel  
Chief Technology Officer

## **STATUTORYAUDITORS**

M/s. Abarna & Ananthan, Chartered Accountants,  
Bangalore

## **REGISTRARS AND TRANSFER AGENTS**

Link Intime India Private Limited  
C- 101, 247 Park, L.B.S Marg,  
Vikhroli (West),  
Mumbai - 400083



**NATIONAL E-GOVERNANCE SERVICES LIMITED**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the **Fifth Annual General Meeting** of the members of **National E-Governance Services Limited (CIN: U72900MH2016GOI282855)** will be held on Thursday the 23<sup>rd</sup> day of September, 2021 at 12.00 Noon through video conference/ OAVM to transact the following business. The venue of the meeting shall be deemed to be the registered office of the Company at Gresham Assurance House 4th Floor, Sir P M Road, Fort Mumbai 400001

**Ordinary Business:**

**Item No. 1 – Adoption of Audited Standalone Financial Statements:**

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021 and the Reports of the Board of Directors and the Auditors thereon.

**Item No. 2 – Adoption of Audited Consolidated Financial Statements:**

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021 and the Reports of the Auditors thereon.

**Item No. 3- Re-Appointment of Mr. Anindya Banerjee, Director who retires by rotation and being eligible, offered himself for re-appointment**

To appoint a Director in place of Mr. Anindya Banerjee (DIN: 08325110), who retires by rotation pursuant to Section 152 (6) of the Companies Act, 2013 and rules made there under, and being eligible, offers himself for re-appointment.

**Item No. 4 –Appointment of Auditors:**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the members do and hereby approve the remuneration to M/s. Abarna & Ananth, Chartered Accountants (Firm Registration No. BA0245) the Statutory Auditors of the Company as advised and appointed by the Comptroller and Auditor General (C&AG) of India to conduct the audit for the financial year 2021-22 at the remuneration of Rs. 3.00 Lakhs (Rupees Three Lakhs Only) payable in one or more instalments plus GST as applicable, and reimbursement of out-of-pocket expenses incurred.”

**Special Business:**

- 1. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary resolution:**

**Appointment of Shri. Debajyoti Ray Chaudhuri as a Director**

**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the **Companies (Appointment and Qualifications of Directors) Rules, 2014**, as amended from time to time, Shri. Debajyoti Ray Chaudhuri (DIN: 09242571), who was appointed as an Additional Director by the Board at its meeting held on 26<sup>th</sup> July, 2021 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Act, and indicated his intention to propose himself as a candidate to hold the office of Director of the Company under Section 160 of the Act, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

- 2. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution:**

**RESOLVED THAT** pursuant to the provisions of sec 196, 197, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 read with Rule 3 of the **Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014** (including any statutory modification or re-enactment thereof), and as recommended by the Nomination & Remuneration Committee (NRC) and further approved and recommended by the Board of Directors at their meeting held on 26<sup>th</sup> July, 2021 the consent of the members of the company be and is hereby accorded for the appointment of Shri. Debajyoti Ray Chaudhuri (DIN: 09242571) as the Managing Director (Key Managerial Personnel) of the company for a term of five years commencing from 18<sup>th</sup> August, 2021 (effective date of joining) till 17<sup>th</sup> August, 2026, as per the terms and conditions mutually agreed upon between the Company and Shri. Debajyoti Ray Chaudhuri (DIN: 09242571)"

**"RESOLVED FURTHER THAT** the following terms and conditions as recommended and approved by NRC and Board of directors be and is hereby approved considering the limit specified under sec 197 and Schedule V of the Companies Act, 2013:

- a) Salary: Rs. 3,30,000 /- per month as basic;
- b) House Rent Allowance: Rs. 1,32,000/- per month;
- c) Special pay: Rs. 19,400/- per month;
- d) Employer contribution to Provident Fund Rs. 39,600/- per month
- E) Leave Travel Allowance Rs. 2,000/- per month
- f) Benefits, Perquisites and Allowances:
  - i) Provision of a Car with driver for official purposes and such driver's remuneration/expenses as fixed/approved by the Board shall be reimbursed to him, if he is not provided with Company's driver.
  - ii) Free use of Company's mobile phone and telephone and internet charges at his residence
  - iii) Performance Bonus, based on the performance of the company and the employee over and above the CTC.
  - iv). Relocation expenses at actuals on production of supporting bills/invoices upto a limit of Rs. 3.00 Lakhs
  - v). One time payment of furnishing allowance upto a limit of Rs. 7.00 Lakhs.

vi). Salary advance (recoverable from salary) to any extent of security deposit payable for getting the accommodation on rent at Bangalore.

**“RESOLVED FURTHER THAT** in the event of no profit or the profit of the company being inadequate, during the currency of tenure of managerial personnel, the company may pay remuneration to the managerial personnel not exceeding the limit prescribed under section II of the Schedule V of the Companies Act, 2013 subject to the minimum remuneration as prescribed above, including any statutory modifications or re-enactment thereof from time to time as prescribed by the Government.”

**3. To consider and if thought fit with or without modification the following resolution as Special Resolution**

**Appointment of Dr. Nivedita Haran as an independent director**

To consider and if thought fit, to pass the following resolution as Special Resolution:

**RESOLVED THAT** Dr. Nivedita Haran (DIN: 06441500), who was appointed as an and independent director, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the Nomination and Remuneration committee, and that of the Board, be and is hereby appointed as an independent director for a second term with effect from 24<sup>th</sup> June, 2021 not liable to retire by rotation, for a period up to 24<sup>th</sup> June, 2022, as per the Regulation 9 of IBBI (IU) Regulations, 2017.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**4. To consider and if thought fit with or without modification the following resolution as Special Resolution**

**Appointment of Prof. S. Sadagopan as an independent director**

**RESOLVED THAT** Prof. S. Sadagopan (DIN: 00118285), who was appointed as an independent director, pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the nomination and remuneration committee, and that of the Board, be and is hereby appointed as an independent director for a second term with effect from 24<sup>th</sup> June, 2021 not liable to retire by rotation, for a period up to 24 June, 2022, as per the Regulation 9 of IBBI (IU) Regulations, 2017.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Date: 27 August, 2021 Place: Bengaluru	For National E-Governance Services Limited By Order of the Board of Directors
<b>Registered Office:</b> Gresham Assurance House 4th Floor, Sir P M Road Fort Mumbai 400001	<b>Mruthunjaya Murthy</b> <b>Company Secretary &amp; Legal Counsel</b> ACS : 11766

**NOTES:**

1. In view of the COVID-19 pandemic, social distancing is to be a pre-requisite and pursuant to the General Circulars 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated 5<sup>th</sup> May, 2020, 22/2020 dated June 15, 2020, 32/2020 dated September 28, 2020, 02/2021 dated January 13, 2021 and 10/2021 dated June 23, 2021, prescribing the procedures and manner of conducting the AGM through VC/OAVM issued by the Ministry of Corporate Affairs, physical attendance of the Members to the AGM venue is not required. Hence, Members have to attend and participate in the ensuing AGM through VC/OAVM only. The deemed venue for the 5<sup>th</sup> AGM will be the Registered Office of the Company.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since the AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. The Proxy Form as well as the Attendance Slip and the Route Map of the Registered office are therefore, not annexed to this Notice.
4. In terms of Section 113 of the Companies Act, 2013, a body corporate whether a company within the meaning of the Act or not, which is a member of this Company, may by a resolution of its Board, authorise such person as it thinks fit to act as representative at any meeting of the Company and a person so authorised shall be entitled to exercise the same powers on behalf of the Company which he represents, as if he is an individual shareholder of the Company.
5. Pursuant to Section 139 (5) read with Section 142 (1) of the Companies Act, 2013, the Auditors of a Government Company are appointed by the Comptroller and Auditor General (C&AG) of India and their remuneration is fixed by the Company in the Annual General Meeting. The shareholders may authorize the Board to fix an appropriate remuneration of Auditors for the year 2021 -22 as may be deemed fit by the Board.
6. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business is given below:

**Explanatory Statement as required under the provisions of Section 102 of the Companies Act, 2013.**

**Item No. 1**

Consequent to resignation of Mr. S Raman as Managing Director & CEO of the Company due to his deployment as CMD of SIDBI the Nomination and Remuneration Committee after the due process recommended to Board to appoint Mr. Debajyoti Ray Chaudhuri and the Board of Directors in their meeting held on 26 July, 2021 inducted Mr. Debajyoti Ray Chaudhuri as additional director on the Board before appointing him as the Managing Director & CEO of the Company. Mr. Chaudhuri holds the office of the additional director till the date of the Annual General where his appointment will be approved by the Shareholders. Since he had already been appointed as Managing Director & CEO by the Board which is subject to the further approval of shareholders he needs to be appointed as director first before his appointment as MD & CEO is approved.

The Board of Directors strongly recommend the appointment of Mr. D R Chaudhuri as Director of your Company considering his Educational background, experience and knowledge. Hence the resolution is placed before the members for their approval as ordinary resolution.

Except Mr. Debajyoti Chaudhuri in his capacity as additional director none of the directors or KMPs or their relatives are either concerned or interested in the resolution.

**Item No. 2**

Mr. S Ramann who was on deputation from C & AG was appointed as Managing Director & CEO of the company and he moved out to take the position of CMD at SIDBI. Consequent to this development to fill the vacant position the Nomination & Remuneration Committee (NRC) of the company initiated the Process and accordingly the advertisement was released calling the eligible candidates and the company after shortlisting the 10 candidates the panel was constituted to conduct the interview and the panel members shortlisted Mr. Debajyoti Ray Chaudhuri as the potential candidate. The NRC members in their meeting held on 18 June, 2021 and 25 June, 2021 considered the selection of MD & CEO by the panel and the salary package was fixed and recommended to the Board for its assent. The Board of Directors at their meeting held on 26 July, 2021 approved the recommendation of NRC and appointed Mr. Debajyoti Ray Chaudhuri as Managing Director and CEO of the Company which is subject to the approval of Shareholders and IBBI. In this regard the communication was sent to IBBI seeking their approval as required under Regulation 9 of the IBBI (IU) Regulation and the IBBI accorded their consent vide their letter through email dated 4 August, 2021. The Board of directors of the company strongly recommends to the shareholders to appoint Mr. Debajyoti Ray Chaudhuri as MD & CEO considering his educational qualification, experience and knowledge. Prior to joining the company Mr. Chaudhuri was serving IBBI in the capacity of Chief General Manager and your Board is of the view that his experience in finance sector will certainly help the Company to reach new heights. The complete details about Mr. Debajyoti Ray Chaudhuri shall be placed at the meeting for the benefit of members. The appointment of the Managing Director requires the consent of the Members by means of special resolution under the provisions of the Companies Act, 2013 and the salary fixed by the company based on the recommendations of NRC and Board as well within the limits prescribed under the Section 198 and Scheduled V of the Companies Act, 2013. Mr. Debajyoti Ray Chaudhuri is not disqualified from being appointed as MD & CEO of the company as per the declaration provided by him which is also placed at this meeting. The Details of his remuneration payable is already mentioned as the part of the resolution. The members are requested to kindly consider and approve the resolution.

Except Mr. Debajyoti Ray Chaudhuri in his capacity as director none of the directors or KMPs or their relatives are neither interested or concerned in the resolution.

### **Item No.3**

Dr. Nivedita Haran, Retd. IAS office was appointed as first Independent Director of the company at the time of incorporation on 24 June, 2016 and she has completed her first term tenure of five years on 24<sup>th</sup> June, 2021 and accordingly NRC members vide their resolution dated 3<sup>rd</sup> June, 2021 recommended the appointment of Dr. N Haran as additional director and Board of Director vide their resolution dated 6<sup>th</sup> June, 2021 appointed her as Additional Director (Independent) effective from 24<sup>th</sup> June, 2021 and she will hold the office of the director till the date of Annual General Meeting. Being eligible, she had offered herself to take up the position if the Members at this meeting reappoint her.

It is to be noted here that as per the Regulations specified under IBBI (IU) Regulation the Independent Director can hold the office for three (3) years at a time for two terms and since Dr. N Haran completing here second term of three years on 24 June, 2022 and approval of members for her appointment is sought for the period upto 24 June, 2022.

During her first term of appointment her contribution and participation at the Board and Committee meetings were active and her suggestions were valuable in taking the combined decision of the Board and Committee. Your Board strongly recommends the appointment of Dr. N Haran and as per the declaration provided to the Company she is not disqualified from being appointed as Director of the Company.

Except Dr. Nivedita Haran in her capacity as director none of the directors or KMPs or their relatives are interested or concerned in the proposed resolution. The resolution is placed before members for approval as a Special Resolution.

### **Item No. 4**

Prof. S Sadagopan was appointed as first Independent Director of the company at the time of incorporation on 24 June, 2016 and he has completed his first term of five years on 24 June, 2016 and accordingly NRC members vide their resolution dated 3<sup>rd</sup> June, 2021 recommended the appointment of Prof. S Sadagopan as additional director and Board of Directors vide their resolution dated 6<sup>th</sup> June, 2021 appointed him as Additional Director (Independent) effective from 24<sup>th</sup> June, 2021 and he will hold the office of the director till the date of Annual General Meeting. Being the eligible candidate, he had offered himself to take up the position if he is reappointed by the Members at this meeting.

It is to be noted here that as per the Regulations specified under IBBI (IU) Regulation the Independent Director can hold the office for three (3) years at a time for two terms and since Prof. S Sadagopan completing his second term of three years on 24 June, 2022 and approval of members of his appointment is sought for the period upto 24 June, 2022.

During his first term of appointment his contribution as a technical acumen his participation at the Board and Committee meetings were productive and his suggestion were valuable in taking the combined decision of the Board and Committees in which he was a member. Your Board strongly recommends the appointment of Prof. S Sadagopan and as per the declaration provided to the Company, he is not disqualified from being appointed as Director of the Company.

Except Prof. S Sadagopan in his capacity as director none of the directors or KMPs or their relatives are neither interested nor concerned in the proposed resolution. The resolution is placed before members for approval as special resolution.

Date: 27 August 2021 Place: Bengaluru	For National E-Governance Services Limited By Order of the Board of Directors
<b>Registered Office:</b> Gresham Assurance House 4th Floor, Sir P M Road Fort Mumbai 400001	Mruthunjaya Murthy Company Secretary & Legal Counsel ACS 11766

## DIRECTOR'S REPORT

To the Members,

The Board of Directors of **National E-Governance Services Ltd.** (CIN: U72900MH2016GOI282855) ("**The Company**" or "**NeSL**") are pleased to present the fifth Annual Report of along with the audited financial statements (Standalone) and Consolidated for the NeSL Group for the financial year (FY) ended March 31, 2021

### FINANCIAL RESULTS

*(in INR THOUSANDS.)*

Particulars	STANDALONE		CONSOLIDATED	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Gross revenue from operations	515,826	288,790	524,683	293,314
Total expenditure before finance cost, depreciation (net of expenditure transferred to capital)	149,321	101,647	163,948	109,283
Operating Profit	366,505	187,143	360,735	184,031
Add: Other income	57,002	44,219	58,981	46,461
Profit before finance cost, depreciation, exceptional items and taxes	423,507	231,362	419,716	230,492
Less: Finance costs	2,406	3,010	2,704	3,212
Profit before depreciation, exceptional items and taxes	421,101	228,352	417,012	227,280
Less: Depreciation	52,274	39,306	54,196	40,153
Profit/(Loss) before exceptional items & tax	3,68,827	189,046	362,816	187,127
Add/(Less): Exceptional Items	-	-	-	-
Profit before taxes	368827	189,046	362,816	187,127
Less: Tax Expense				
Current Tax	95,641	21,756	96,374	21,886

Deferred Tax (income)/expense	(1890)	26,155	(4,114)	25,630
Net Profit/(Loss) for the Period	275,076	141,135	270,556	139,611
<b>Other comprehensive (loss)/income (OCI)</b>	(504)	(1097)	(449)	(1,129)
Deferred tax income	127	194	113	202
Total other comprehensive loss for the year	(377)	(903)	(336)	(927)
Total comprehensive profit for the year	274,699	140,232	270,220	138,684
Retained Earnings: Balance brought forward from the previous year	74,308	-	70,051	-
Add: Profit for the Period	274,699	140,232	270,220	138,684
Balance	349,007	140,232	340,271	138,684
<b>Total Appropriations</b>	-	65,924	285	68,633
Retained Earnings: Balance to be carried forward	349,007	74,308	339,986	70,051

## 2. COVID-19 – Pandemic

The financial year 2020-21 began in the backdrop of tepid business environment due to global pandemic COVID-19 which was widespread and accompanied a rising infection and mortality rate in our country. In response to COVID, the government as a part of its several prevention and containment measures enforced lockdowns severely curtailing economic activity. Your company had to switch to 'Work from Home' mode to adapt to the disruption of COVID and continue functioning with all precautions mandated by the government. As we look back, your Company was an early adopter of digital working practices and had thoughtfully shifted most of its operations to digital. 'Work from Home' situation therefore was easier to adopt.

Your Directors are pleased to inform you that despite the grim situation which persisted throughout the country due to global economic slowdown during the financial year under review your company's performance in terms of business growth was consistent and established the continual improvements in terms of revenue generation and profits. Towards the end of March 2021 the country was again unfortunately hit by second wave of the pandemic, the effect of the same may extend to the financial year 2021-22 both in public health and the economic environment and growth in the country. Again during the second wave for the wellbeing and safety of the employees working from home was continued, and as a digital technology company your directors are confident that your company would continue to function in the current year and register a stable and consistent performance. It is important to mention that your Directors regret the loss of life owing to Covid-19 pandemic both in the first and second wave hit and expressed their gratitude and respectful appreciation to all the Covid

Warriors who put themselves in the forefront, risking their life and safety much beyond the call of duty. It is a selfless duty by the COVID warriors that has kept our country including team NeSL safe.

### **3. Change in the nature of Business:**

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

### **4. Material changes and commitment if any affecting the financial position of the company:**

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

### **5. Dividend:**

No dividend is proposed by your Directors with a view to conserving the resources in these times.

### **6. Reserves:**

The balance of the retained earnings, after appropriation and adjustments of the year was Rs. 34.90 Crore.

### **7. Performance and Outlook**

Your company during the year under report, firmly ensconced itself as India's first and only (so far) Information Utility (IU) in terms of the Insolvency and Bankruptcy Code (IBC), and as a service provider gained confidence of its clients (Financial and Operational Creditors) and its stakeholders. The services of IU were utilized to upload data and documents pertaining to loans and financial debts and for provision of authenticated financial information. During the year under review your company, with the support and leadership of IBBI, Department of Financial Services (under Ministry of Finance), received expression of willingness and support by various State Governments for a structured platform to implement the concept of Digital Document Execution (DDE). DDE initiative has earned the confidence of various State Governments which have issued the orders for payment of stamp duty through NeSL's DDE platform, supported by Stock Holding Corporation of India (SHCIL). The DDE platform enables the financial institutions, their customers, to execute the loan documents and pay stamp duty towards such loan document, in an online contactless mode. The implementation of DDE has helped banks and financial institution to disburse loans and the consumers to avail the loans virtually without physical presence and movement of paper documents. DDE has proved to be instrumental in saving the time and energy and also promoting Digital India and Ease of Doing Business, more specifically in the existing pandemic situation. Your Directors are confident in inform you that DDE shall play a significant role in the near future by assisting the banks and financial institutions and loan borrowers to execute documents for loans in a contactless mode on a pan India scale.

#### **7.1 ISO 27001:2013 Security Certification:**

Your Directors are pleased to inform you that your company embarked on the ISO 27001:2013 certification process during the last quarter of 2020. This certification deals with Information Security Management across all functions of the organization. NeSL has received the certification for the same on 4th June 2021. Your company is committed to keep its security standards high.

7.2 Your Directors are pleased to inform you that the company on a standalone basis registered a revenue of Rs. 51.58 Crores during the year under review as against Rs. 28.88 Crores in the previous year, a significant upward jump of 78.62%. The Profit after Tax (PAT) was Rs. 27.51 Crores as compared to Rs. 14.11 Crores in the previous year and resulted in accretion to Retained earnings of Rs. 34.90 Crores till date.

The Consolidated Revenue for financial year 2021 was Rs. 52.47 Crores, higher by 78.76% over the previous year's revenue of Rs. 29.33 Crores. The PAT for financial year 2021 was Rs. 27.05 Crores as against loss of Rs. 13.96 Crores in the previous year.

7.3 In respect of the operations, your company as IU on-boarded loan records submitted in the region of 1,45,65,545 and number of unique debtors covered was 89,88,348 records, inter-alia having the corporate loan value of Rs.131,95,076 Crore which broadly represents the entire set of corporate debts provided by the Banking and NBFC Sectors. This bears success of the Government of India (GOI's) Insolvency and Bankruptcy Code initiative. The IU also stored data from operational creditors of a value of about Rs. Rs.36,770 Crore. The success of the on-boarded volume is attributable to significant efforts made in creating awareness through meetings, scaled up marketing efforts, seminars, conferences at various professional and business forums through video conference and meetings throughout the year. Your company also received support from the Reserve Bank of India.

7.4 The Company's quality initiative of implementation on its IU Platform, the Digital Documentation Execution (DDE) – an advanced fully automated contract execution platform as a mode of submission of data by a financial creditor has been implemented in several States (as on the date 12 States and 2 Union Territories). This initiative is undertaken with the support of the IBBI and in concert with Stockholding Corporation of India and encouraging response has been received from the State Governments with whom the Company is in regular communication. The Government of India has advised the States and Union Territories to move towards use of NeSL'S DDE Platform to permit the Digital E-stamping as a mode of payment of Stamp Duty. This initiative in the days to come will gain currency and would become part of the larger E-Governance Infrastructure and help in ease of doing business, besides increasing the revenue potential.

7.5 Your Directors are sanguine that barring unforeseen circumstances, your company's performance shall continue to grow and excel with continual pursuit of newer and varied provision of services on the IU Platform for the ease and benefit of users.

## **8. HUMAN RESOURCE**

During the year under review, despite the slowdown in the global economic growth, your company's HR activity was intact in terms of recruitments and the total staff strength of the organization was 121 which included Regular, Contract staff, Consultants and staff hired through agencies. The Company also took all staff welfare measure which is not limited to work from home facility but also included employee safety, health and security. During the year the offices at Mumbai and Bangalore were kept in hygiene and safe condition to enable any staff member who desires to visit and opt to work from office. Since the company is a technology company wherein human resources play a key role in achieving the objects, it provided all infrastructure required for the employees who worked from their home/locations.

## 9. Share Capital:

The company did not issue any equity shares or any equity share with differential rights, Sweat Equity shares, ESOPs, and has not made any provisions for purchase of its own shares during the year.

## 10. Deposits from Public:

Your company has neither invited nor accepted any fixed deposits as defined in Chapter V of the Companies Act, 2013 (Act) from the public during the period under review, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## 11. Particulars of Loans, Advances, Guarantees and Investments:

The company has two wholly owned subsidiaries in which it holds investment by way of their respective Share Capital as under as on 31<sup>st</sup> March 2021:

(in Rs.)

SI No	Name of the Company	Amount invested
1.	NESL Asset Data Limited (NADL)	6,50,00,000
2.	NESL E Infrastructure Limited (NEIL)	1,00,00,000

Your company made additional investments to an extent of Rs. 1.50 Crores in one of its wholly owned subsidiary companies (NADL) by subscribing to the Right Issue of shares. The Company did not give any loans, advances and provided any guarantees to any of other corporates. It maintained term deposits/investment with scheduled banks/mutual funds and also invested in selected State Government bonds.

## 12. Subsidiary Companies:

The Company has two wholly owned subsidiaries as on March 31, 2021 and is not an associate or in Joint Venture in terms of Companies Act, 2013 (Act).

The two wholly-owned subsidiary companies are as below:

### (i) NESL Asset Data Limited (NADL):

NADL seeks to enter the business of Asset Aggregation of Financial Assets (Bank deposits, Insurance Policies, Capital Market Instruments, MF schemes, Pension Funds, etc)

The subsidiary Company (NADL) had obtained registration as an NBFC Account Aggregator with the Reserve Bank of India (RBI) vide RBI letter dated 13 August, 2020 and the company is in the process of signing the agreement with Banks and financial Institutions and shortly will commence its commercial operations.

### (ii) NESL E Infrastructure Limited (NEIL):

NEIL was incorporated with an objective of delivering e-governance services across various business segments like Aadhaar based OKYC, e-sign platform and related services. NEIL as of 31<sup>st</sup> March 2021 has entities which have been on boarded to provide the OKYC, E-Sign and allied activities. During the year under review the company generated revenue from its operations of Rs. 88.57 Lakhs and earned an interest income of Rs. 7.03 Lakhs. The company's profit for the year was Rs.20.67 Lakhs.

A Statement containing salient features of the financial statement of Subsidiaries vide form AOC-1 is provided as **Annexure -1** to this report.

### **13. Related Party transactions:**

The particulars of contracts or arrangements during the year under review with related parties referred to in Section 188(1) and applicable rules of the Act, in Form AOC-2 is provided as **Annexure-II** to this Report.

### **14. Directors and KMP:**

Following changes in the Board constitution occurred during the year under review

- Shri. T S Vishwanath, Chairman and Independent Director resigned from the Board effective from 30 September, 2020. Effective from the date Mr. R Gandhi, Independent Director was appointed as Chairman of the Board at the meeting held on 30 September, 2020.
- Shri Natarajan Sunder, DMD of State Bank of India was nominated as Director in place of Shri. Partha Pratim Sengupta.
- Shri. Gurpreet Singh Chawla, Nominee Director from LIC superannuated on 31 January, 2021 and accordingly as per the provisions of the Articles of Association of the Company he has vacated the office of Director.
- Shri. S Ramann, MD & CEO of the company deputed from C & AG demitted his office, consequent to his appointment as CMD of SIDBI, during April 2021.
- Your Board places on record its deep and sincere appreciation of the contributions made by Shri. T S Vishwanath, Shri. G S Chawla and Shri. S Ramann during their tenure as Directors of the Company.
- Dr. Nivedita Haran and Prof. Sadagopan who were inducted as the first Independent Directors of the company completed their first tenure or five years as Independent Directors on 23 June, 2021 and the company re-appointed them as Additional Director (Independent) with effect from 24 June, 2021 and their appointment shall be placed at the ensuing shareholders meeting for their approval.

#### **14.1 Declaration by Independent Director(ID)(s):**

The Company has received the necessary declaration from each of the Independent Directors in accordance with Section 149(7) of the Act, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act.

### **15. Directors' Responsibility Statement:**

In terms of the framework of Internal Financial Controls [including Standard Operating procedures] established and followed by the company, work performed by the Internal, Statutory and Secretarial auditors and external agencies including audit of Financial Controls over financial reporting by the Statutory Auditors and reviews performed by the management and relevant Board Committees, the Board is of the view that the Company's Internal Financial Controls, with required policies put in place, are considered reasonably adequate and effective.

In terms of aforesaid and pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability confirm: -

- (a) that in the preparation of the annual accounts, the applicable accounting standards (including the Standard that came into force during the year) have been followed and there are no material departures;
- (b) that the directors selected such accounting policies and applied them consistently and made judgements 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) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis;
- (e) that the proper internal financial controls were laid down to be followed and that such internal financial controls are adequate and were operating effectively; and
- (f) that the proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

#### **16. Risk Management:**

During the year under review and as a continuous process the Company is taking adequate safeguards in handling customer data and related processes with the deployment of appropriate technological solutions and security systems, standard, to such operations. As such, your company does not envisage any major threat to its existence, emanating from its operations.

Your Company being technology based entity has in place a proper 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.

#### **17. Corporate Social Responsibility:**

Considering the profit earned during the financial year ended 31 March, 2020 The Company at its Board Meeting held on 8 January, 2021 constituted the CSR Committee as per the provisions of Section 135 of the Companies Act, 2013 and Committee had its first meeting on 26 February, 2021 and adopted the CSR policy and also the Committee apprised the Board about the spending/contribution of Rs. 8.14 Lakhs towards CSR expenses for the financial year 2019-20 and accordingly the company as required under provisions of Companies Act, 2013 at the close of the financial year 2021 spent the amount towards CSR as a responsible corporate entity. The details of the CSR spending are provided in the Annexure to this report.

#### **18. Disclosures**

**Disclosure as required under rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016:**

There were no employees during the financial year drawing remuneration exceeding the limits stipulated under the provisions of Section 197 and Rule 5(2) and 5(3) of the Companies Act 2013.

## **18.2 Disclosure as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has zero tolerance towards sexual harassment at the work place and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year under review the company has not received any complaints in this regard from any person.

## **19. Conservation of energy, technology absorption, adaptation and innovation:**

### **A. Conservation of Energy:**

The company does not have any manufacturing facility nor is the company generating any power/energy. However, your Directors are taking all measure to conserve the energy which is consumed in the regular course of service business.

### **B. Technology absorption:**

The Company is making continuous efforts to implement all emerging new technologies and developments which are relevant to the Business of the Company.

### **C. Foreign Exchange Earnings and Outgo: NIL**

## **20. Auditors:**

### **Statutory Auditors:**

As per the advise and direction of C&AG of India through its letter dated 14 August, 2020, M/s Abarna & Ananthan, Chartered Accountants (bearing Firm registration number000003S), were appointed as the Statutory Auditors of the company for the year ending March 31, 2021 by the shareholders in the Annual General Meeting held on 29<sup>th</sup> September, 2020 and they will hold the office till the conclusion of the ensuing Annual General Meeting and the company has written to the Comptroller and Auditor General of India (C&AG) to recommend the auditors to be appointed for the financial year 2021-22. The company will appoint the auditors based on the recommendation of the C&AG.

### **20.2 Internal Auditors:**

In accordance with the provisions of Section 138 of Companies Act, 2013, the Company has appointed, M/s. Deloitte Touche` Tohmatsu India LLP, Bengaluru as Internal Auditors of the Company for FY 2020-21.

### **20.3 Secretarial Auditors:**

In accordance with the provisions of Section 204 of Companies Act, 2013 and the rules made thereunder, M/s. S. N. Ananthasubramanian & Co. Practicing Company Secretaries firm, Mumbai were appointed as Secretarial Auditors for the Company for the FY 2020-21. They have submitted their report and the same is annexed to this report.

### **20.4 Technology Audit Report:**

Pursuant to the provisions of Clause 34 of the IU regulations, an IU shall get audit of its information technology framework, interface and data processing systems every year. Accordingly, M/s. CDAC, a Central Government Organization under Meity were appointed as Auditors in this regard for the annual audit.

## 20.5 Qualifications in Audit Reports:

There are no adverse remarks/qualification or any disclaimers on the financial statements, documents, records of the company audited by the respective auditors of the company.

**20.6** The company shall send the financials along with the Statutory Auditors report to the C&AG for their supplementary report, which if received will be placed at the Annual General Meeting of the Company.

## 21. Extract of Annual Return:

An extract of the annual return as provided under section 92(3) of the Act is posted on the website of the company at [www.nesl.co.in](http://www.nesl.co.in).

## 22. Report on Corporate Governance:

Corporate governance is an ethically driven business process that is committed to values. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. Corporate Governance is an effective tool to bring integrity and transparency in terms of reporting, so as to protect the interests of all the stakeholders.

In accordance with provisions of Section 134 of Companies Act, 2013 (Act) read with Rule 8 of the Companies (Accounts) Rules 2014 and also matter of governance, your directors wish to bring out the following report.

### 1. Board Aspects:

#### 1.1. Composition of the Board & KMP:

The Board comprised of the following directors:

Sl No	Name of Director	Designation	DIN	Date of Appointment
1.	T S Vishwanath (till 30 September, 2020)	Independent Director & Chairman	00023065	16/06/2017
2.	N Haran	Independent Director	06441500	24/06/2016
3.	S Sadagopan	Independent Director	00118285	24/06/2016
4.	R Gandhi	Independent Director	03341633	17/04/2018
5.	Anindya Banerjee	Nominee Director (ICICI)	08235110	16/01/2019
6.	G S Chawla (till 31 Jan 2021)	Nominee Director (LIC)	07534356	07/07/2016
7.	Partha Pratim Sengupta (till 24 July, 2020)	Nominee Director (SBI)	08273324	03/11/2018
8.	S Ramann (till 19 April, 2021)	Managing Director & CEO	07685657	01/12/2016
9.	Natarajan Sunder	Nominee Director (SBI)	03525506	01/10/2020

**1.2. KMPs of the company:**

SI No	Name of KMP	Designation	Date of Appointment	Date of Resignation
1.	S. Ramann	Managing Director & CEO	1/12/2016	18 April, 2021
2.	Mruthunjaya Murthy	Company Secretary & Legal Counsel	04/06/2018	-
3.	Vinod Shenoy M	Chief Financial Officer	11/07/2018	-

**1.3. Meetings of the Board:**

The Board met four times during the financial year:

SI No	Date of Meeting	No of Directors eligible to Attend	No of Directors Attended	No of Directors not attended
1.	15 <sup>th</sup> July 2020	8	7	1
2.	24 August 2020	7	7	
3.	30 September, 2020	8	7	1
4.	8 January, 2021	7	7	

**1.4. Attendance of Directors:**

Details of attendance of Directors at the Board Meetings held during the financial year 2020-2021 are provided below:

SI No	Name of Director	Designation	No of Meetings attended
1.	T S Vishwanath	Independent Director	2
2.	N Haran	Independent Director	4
3.	S Sadagopan	Independent Director	4
4.	R Gandhi	Independent Director	4
5.	G S Chawla	Nominee Director (LIC)	3
6.	S Ramann	Managing Director & CEO	4
7.	Parthapratim Sengupta	Nominee Director (SBI)	
8.	Anindya Banerjee	Nominee Director (ICICI )	4
9.	Natarajan Sunder	Nominee Director (SBI)	2

Also as required under the Schedule IV of the Act, meeting of Independent Directors of the Company was held on 31 July, 2020 and was attended to by all Independent Directors.

The Annual General Meeting of the Company was held on 29<sup>th</sup> September 2020 and following directors attended the AGM / EGM.

SI No	Name of the Director	AGM (29 <sup>th</sup> September, 2020)
1.	T S Vishwanath	Attended
2.	S Ramann	Attended
3.	R Gandhi	Attended
4.	Prof. Sadagopan	Attended
5.	Dr. Nivedita Haran	Attended

## 2. Committees of the Board:

Your Board with a view to having efficient Corporate Governance has formed various committees as required under the provisions of the Act, and as required under the Information Utility Regulations issued by the Insolvency and Bankruptcy Board of India (IBBI). Accordingly, the following committees have been constituted:

### 2.1. Audit Committee:

#### 2.1.1 Composition of the Committee:

The Audit Committee of the company consists of the following members:

SI No	Name of the Director	Designation
1.	Prof. S Sadagopan	Chairman
2.	T S Vishwanath	Member
3.	Parthapratim Sengupta	Member
4.	G S Chawla	Member

#### 2.1.2 Terms of Reference:

The Committee shall *inter alia* be responsible for:

- (i) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) Review and monitor the auditor`s independence and performance and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors` report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related parties
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters.

### 2.1.3 Meetings of the Audit Committee:

The Audit Committee met thrice during the reporting period:

SI No	Date of Meeting	No of Directors eligible to Attended	No of Directors attended	No of Directors not attended
1.	13 July, 2020	3	2	1
2.	18 <sup>th</sup> August, 2020	3	3	1

### 2.1.4 Attendance of Directors:

Details of attendance of Directors at the Audit Committee Meetings held during the reporting period:

SI No	Name of Director	Designation	No of Meetings attended
1.	S Sadagopan	Independent Director	2
2.	T S Vishwanath	Independent Director	2
3.	Partha Pratim Sengupta	Nominee Director	-
4.	G S Chawla	Nominee Director	1

## 2.2. Nomination and Remuneration Committee:

### 2.2.1 Composition of the Committee:

The Nomination and Remuneration Committee of the company consists of the following members:

SI No	Name of the Director	Designation
1.	N Haran	Chairperson (Independent Director)
2.	G S Chawla	Member (Nominee Director)
3.	R Gandhi	Member ( Independent Director)
4.	Anindya Banerjee	Member (Nominee Director)

### Terms of Reference:

The Committee shall *inter alia* be responsible for:

- Periodically oversee an evaluation of the Board, and recommend desirable changes in Board size, composition, Committees structure and processes, and other aspects of the Board's functioning;
- Review and concur the appointments of KMP's, Directors and senior management team one level below the Board.
- Ensure the compliance in terms of constitution and reconstitution of various Committees and advise the Board accordingly.
- Recommend new Board members in light of resignation of current members or a planned expansion of the Board;

- (e) Review stockholder proposals relating to Board's composition and recommend an appropriate course of action;
- (f) Review key corporate governance processes not specifically assigned to other committees, and recommend changes needed to ensure that the company is at best practice;
- (g) Formulate criteria for determining qualifications, positive attributes and independence of director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- (h) Review and recommend to the Board the appointment and fixation of compensation payable to KMP's, whole time directors, non-executive directors and draw up the policy on ESOP and recommend the same to the Board for its adoption.
- (i) Review and recommend the incremental compensation and variable pay for Executive Directors to the Board, KMP's and Senior Management Cadre;
- (j) Draw up the structure for review and performance of Board, Committees, Directors (excluding nominee Directors) and evaluate the performance of Board, Committees and Directors and submit the report about the performance every year.
- (k) Perform other activities related to this Charter as requested by the Board of Directors or to address issues related to any significant subject within its term of reference

#### **2.2.2 Meetings of the Nomination and Remuneration Committee:**

The Committee met twice during the financial year:

<b>SI No</b>	<b>Date of Meeting</b>	<b>No of Directors eligible to Attended</b>	<b>No of Directors attended</b>	<b>No of Directors not attended</b>
1.	20 August, 2020	4	4	-
2.	27 January, 2021	4	4	-

#### **2.2.3 Attendance of Directors:**

Details of attendance of Directors at the Nomination and Remuneration Committee Meetings held during the year 2020-21, are provided below:

<b>SI No</b>	<b>Name of Director</b>	<b>Designation</b>	<b>No of Meetings attended</b>
1.	Nivedita Haran	Independent Director	2
2.	G S Chawla	Nominee Director	2
3.	Anindya Banerjee	Nominee Director	2
4.	R Gandhi	Independent Director	2

## 2.3. Corporate Social Responsibility Committee

### 2.3.1. Composition of the Committee:

The Corporate Social Responsibility Committee of the company consists of the following members:

SI No	Name of the Director	Designation
1.	R Gandhi	Chairman (Independent Director)
2.	Nivedita Haran	Member (Independent Director)
3.	S. Sadagopan	Member (Independent Director)
4.	Natarajan Sunder	Member (Nominee Director)

### Terms of Reference:

The Committee shall *inter alia* be responsible for:

- To formulate and recommend to the Board a Corporate Social Responsibility Policy (CSR Policy) which will indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act.
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the company from time to time.
- Monitor the amount approved by the Board is spent for the purpose and report the same to the Board.

### 2.3.2 Meetings of the Corporate Social Responsibility Committee:

The Committee met once during the financial year:

SI No	Date of Meeting	No of Directors eligible to Attended	No of Directors attended	No of Directors not attended
1.	26 <sup>th</sup> February, 2021	4	4	-

### 2.3.3. Attendance of Directors:

Details of attendance of Directors at the Corporate Social Responsibility Committee Meetings held during the year 2020-21, are provided below:

SI No	Name of Director	Designation	No of Meetings attended
1.	Nivedita Haran	Independent Director	1
2.	G S Chawla	Nominee Director	1
3.	Anindya Banerjee	Nominee Director	1
4.	R Gandhi	Independent Director	1

### 3. Evaluation:

The Board carried out an Annual Evaluation based on the feedback sought from Directors on various criteria to evaluate the effectiveness of its functioning, that of its committees and of individual Directors. The criteria broadly comprised Board Composition, Structure, Effectiveness and Oversight of Processes, Deliberations, overall functioning, etc.

The Board on the basis of compilation of the feedback received was satisfied that the evaluation process justified its confidence in its and the management's ability to discharge the duties enjoined upon them.

The Independent Directors also separately met once (on 31 July, 2020) and took stock of the situation/affairs of the company.

### 4. Remuneration:

The Independent Directors and non-executive directors/nominee directors of your Company are not remunerated in any form except for the sitting fees paid to them for attending the Board and Committee meetings in which they are members. Further, towards the gross remuneration (CTC) of Mr. S. Ramann, the Managing Director, the Company paid Rs. 55.68 Lakhs in the Financial Year 2020-21.

### ACKNOWLEDGEMENTS

The Directors thank the Government of India, Governments in various States and Union Territories in India, Concerned Government Departments, Insolvency and Bankruptcy Board of India, Reserve Bank of India and other Professional Bank-Association and Business Forums for their support and co-operation.

The Directors also in particular thank the dedicated company employees, client Banks, Vendors, Investors and Professional Associates.

For and on behalf of the Board of National E-Governance Services Limited		
		Sd/-
Date: 26 July, 2021		R Gandhi
Place: Bengaluru		DIN: 03341633

**Form AOC-1**

(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****Part "A": Subsidiaries***(in Rs.)*

Sl. No.	Particulars	NADL	NEIL
1	Name of the subsidiary	NeSL Asset Data Limited	NeSL E Infrastructure Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting Period	01-04-2020 To 31-03-2021	01-04-2020 To 31-03-2021
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
4	Share capital	65000000	10000000
5	Reserves & surplus	-	-
6	Total assets		
7	Total Liabilities		
8	Investments		
9	Turnover		
10	Profit before taxation		
11	Provision for taxation		
12	Profit after taxation		
13	Proposed Dividend	-	-
14	% of shareholding	100	100

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

- Names of subsidiaries which are yet to commence operations - NADL
- Names of subsidiaries which have been liquidated or sold during the year - NA

**Part "B": Associates and Joint Ventures - NA**

	<b>For and on behalf of the Board of National E-Governance Services Limited</b>
Date: 26 July, 2021	Sd/- R Gandhi
Place: Bengaluru	DIN: 03341633

**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)

## 1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts / arrangements / transaction	NIL
c)	Duration of the contracts/ arrangements/ transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

## 2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NESL Asset Data Limited & NESL E- Infrastructure Limited Wholly Owned Subsidiaries
b)	Nature of contracts/arrangements/transaction	Providing support services
c)	Duration of the contracts/ arrangements/ transaction	1 April 2020 to 31 March 2021
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	to be billed annually NESL (parent company) Value:( Amount in lakhs) NADL : 61.77 NEIL: 22.32 to be billed annually by NADL and NEIL . NADL: 20.66 NEIL: 11.40
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	-

	<b>For and on behalf of the Board of National E-Governance Services Limited</b>	
		Sd/-
Date: 26 July, 2021		R Gandhi
Place: Bengaluru		DIN: 03341633



**S. N. ANANTHASUBRAMANIAN & CO**  
**Company Secretaries**

10/25-26, 2nd Floor, Brindaban,  
Thane (W) – 400 601  
T: +91 22 25345648 | +91 22 25432704  
E: [snaco@snaco.net](mailto:snaco@snaco.net) | W: [www.snaco.net](http://www.snaco.net)  
ICSI Unique Code: P1991MH040400

**FORM NO. MR – 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> 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,**

**National E-Governance Services Limited**

**CIN: U72900MH2016GOI282855**

Gresham Assurance House, 4<sup>th</sup> Floor, Sir PM Road,  
Fort, Mumbai – 400 001.

We have conducted Secretarial Audit of compliance with applicable statutory provisions and adherence to good corporate practices by **National E-Governance Services Limited** (hereinafter called 'the Company') for the **Financial Year ended 31<sup>st</sup> March, 2021** ('the audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and papers, minutes 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 31<sup>st</sup> March, 2021** complied with 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 books and papers, minutes books, forms and returns filed and other records maintained by the Company for the **Financial Year ended 31<sup>st</sup> March, 2021** according to the provisions of:

MALATI  
ANIL  
KUMAR

Digitally signed  
by MALATI ANIL  
KUMAR  
Date: 2021.07.28  
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## **S. N. ANANTHASUBRAMANIAN & CO** **Company Secretaries**

- (i) The Companies Act, 2013 ('the Act') and rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made thereunder – **Not applicable as there was no reportable event during the audit period;**
- (iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable as there was no reportable event during the audit period;**
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act'): – **Not applicable as securities of the Company are not listed on 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 – **Not applicable as the Company is not registered as a Registrar to an Issue and Share Transfer Agent during the audit period;**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## S. N. ANANTHASUBRAMANIAN & CO Company Secretaries

- (vi) Management has identified and confirmed the following laws as being specifically applicable to the Company:
- Insolvency and Bankruptcy Code, 2016;
  - Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017;
  - Information Technology Act, 2000;
  - All relevant Circulars, Notifications, Regulations and Guidelines issued by Insolvency and Bankruptcy Board of India.

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

- Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- Listing Agreements entered into by the Company with Stock Exchange(s) – **Not applicable as securities of the Company are not listed on any Stock Exchange.**

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

### We further report that:

- Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. Changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with provisions of the Act;
- Adequate notice is given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance except where consent of Directors was received for circulation of notice, agenda and detailed notes on agenda at a shorter notice, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting;
- All decisions of the Board and Committee thereof were carried through with requisite majority.

MALATI  
ANIL  
KUMAR

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by MALATI ANIL  
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Date: 2021.07.28  
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## **S. N. ANANTHASUBRAMANIAN & CO** **Company Secretaries**

**We further report that** based on review of compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by functional heads and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

- As informed, the Company has not received any notice from any statutory/ regulatory authority.

**We further report that** during the audit period, there were no events/ actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

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**

MALATI  
ANIL  
KUMAR

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by MALATI ANIL  
KUMAR  
Date: 2021.07.28  
15:04:13 +05'30'



**Malati Kumar**

**Partner**

**ACS: 15508 | COP No.: 10980**

**ICSI UDIN: A015508C000699664**

**28<sup>th</sup> July, 2021 | Thane**



To,

**The Members,**

**National E-Governance Services Limited**

**CIN: U72900MH2016GOI282855**

Gresham Assurance House, 4<sup>th</sup> Floor, Sir PM Road,

Fort, Mumbai – 400 001.

**Management's Responsibility**

1. It is the responsibility of 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 future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.

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ANIL  
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**S. N. ANANTHASUBRAMANIAN & CO**  
**Company Secretaries**

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**

MALATI  
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KUMAR  
Date: 2021.07.28  
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**Malati Kumar**

**Partner**

**ACS: 15508 | COP No.: 10980**

**ICSI UDIN: A015508C000699664**

**28<sup>th</sup> July, 2021 | Thane**

[Annexure -II]

**NATIONAL E-GOVERNANCE SERVICES LIMITED CIN: U72900MH2016GOI282855**

**(Regd. Office, 4<sup>th</sup> Floor, Gresham Assurance House, Sir PM Road, Fort, Mumbai 400001.**

**Administrative Office 003 Ground Floor, #121 “The Estate”, Dickenson Road, Bangalore 560042.**

**Format For The Annual Report on CSR Activities to be Included in the Board's Report For Financial Year Commencing on or After 1st Day of April, 2020**

1. Brief outline on CSR Policy of the Company.: The NESL CSR Policy as approved by the Board of Directors mention that the amount determined for CSR spending shall be spent for the promotion of education to the under privileged students and physically challenged students. The financial year 2020-21 is the first year where the company made profits after appropriating the previous year losses and the CSR spending shall be with the list provided under Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee: The Committee is comprising of following members

Shri. R Gandhi - Chairman & Independent Director

Dr. Nivedita Haran- Member & Independent Director

Prof. S Sadagopan - Member & Independent Director

Shri. Natarajan Sunder – Member & Nominee Director (SBI)

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	R Gandhi	Chairman & Independent Director	1	1
2	Dr. Nivedita Haran	Member & Independent Director	1	1
3	Prof. S Sadagopan	Member & Independent Director	1	1
4	Shri. Natarajan Sunder	Member & Nominee Director from SBI	1	1

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. [www.nesl.co.in](http://www.nesl.co.in)

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). NIL

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	NA	NA	NA
2	NA	NA	NA
3	NA	NA	NA
	<b>Total</b>	NA	NA

6. Average net profit of the company as per section 135(5). Rs. 4,07,19,439/-

7. (a) Two percent of average net profit of the company as per section 135(5)- Rs 8,14,389/-

(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. 8,14,389/-

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.
8,15,000	NA	NA	NA	NA	NA

(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 - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Promotion of Education	Sub clause II of Schedule VII	Yes	Karnataka	Bangalore	NA	7,23,340	7,23,340	NIL	Yes	Parikrma Humanity Foundation  Sri Rakum School for Blind	CSR00000519  -
2.	Contribution to PM National Relief Fund	Sub clause VIII of Schedule VII	NA	NA	NA	NA	91,660	91,660	NIL	Yes	-	-
3.												
	Total						8,15,000	8,15,000				

(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.	NA	NA	NA	NA	NA	NA	NA	NA	NA
2.	NA	NA	NA	NA	NA	NA	NA	NA	NA
3.	NA	NA	NA	NA	NA	NA	NA	NA	NA
	<b>Total</b>	NA	NA	NA	NA	NA	NA	NA	NA

(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): 8,15,000/-

(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)	8,14,389/-
(ii)	Total amount spent for the Financial Year	8,15,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	611/-
(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)]	Nil

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.	
1.	NA	NA	NA	NA	NA	NA	NA
2.	NA	NA	NA	NA	NA	NA	NA
3.	NA	NA	NA	NA	NA	NA	NA
	Total	NA	NA	NA	NA	NA	NA

(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).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1	NA	NA	NA	NA	NA	NA	NA	NA
2	NA	NA	NA	NA	NA	NA	NA	NA
3	NA	NA	NA	NA	NA	NA	NA	NA
	Total	NA	NA	NA	NA	NA	NA	NA

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): NA
- (b) Amount of CSR spent for creation or acquisition of capital asset.: NA
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).: NA

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/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chairman CSR Committee).	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).
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**INDEPENDENT AUDITORS' REPORT**

**To the Members of National E-Governance Services Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **National E-Governance Services Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, and its profit including other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 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.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's information but does not include the standalone financial statements and our auditor's report thereon.

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



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**Branch at : Chennai**

**✉ : [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)**

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

### **Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is 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 financial position, financial performance including 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 specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are 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.



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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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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.



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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 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 A**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement 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 Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".



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**Page 4 of 12**

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 which would impact its financial position.
- 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.

3. On the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we are enclosing our report in terms of Section 143(5) of the Act, on the directions and sub directions issued by the Comptroller and Auditor General of India in "Annexure C"

For **ABARNA & ANANTHAN**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No: 000003S



**Abarna Bhaskar**  
**Partner**  
Membership No: 025145

UDIN: 21025J45 AAAA BJ3148

Place: Bangalore  
Date: 26/07/2021

---

**Head Office: #521, 3<sup>rd</sup> Main, 6<sup>th</sup> Block, 2<sup>nd</sup> Phase, BSK 3<sup>rd</sup> Stage, Bangalore 560 085**

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**“ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S 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 31st March 2021, we report the following:

- (i) (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.
  - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The Company does not hold any Immovable property. Accordingly reporting under Clause 3 (i) (c) of the Order is not applicable.
- (ii) The nature of activity carried upon does not entail to hold any inventory. Accordingly reporting under clause 3 (ii) of the order is not applicable.
- (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 (‘the Act’). Thus, reporting under clause 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan or made any investments or given any guarantee or security in respect of which the provisions of the sections 185 and 186 of the Act are applicable. Hence, reporting under clause 3(iv) of the Order is not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) As informed to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- (vii)(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues applicable to it with the appropriate authorities, though there has been a slight delay in a few cases.



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- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues in arrears as at 31st March 2021 for a period of more than six months from the date they became payable except below.

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which amount relates	Due date	Date of Payment
Goods and Services Tax Act	IGST	2,448	September-19	20-10-2019	09-06-2021
Goods and Services Tax Act	IGST	2,90,273	May -20	20-06-2020	09-06-2021
Goods and Services Tax Act	IGST	1,65,366	June-20	20-07-2020	09-06-2021
Goods and Services Tax Act	IGST	2,29,500	July-20	20-08-2020	09-06-2021
Goods and Services Tax Act	IGST	1,97,262	August-20	20-09-2020	09-06-2021

- (c) According to the information and explanations given to us, there are no dues of Income tax, Service tax, Goods and Services Tax, Value added tax / Sales tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence, reporting under clause 3 (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Hence, reporting under clause 3 (ix) of the Order is not applicable to the Company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.



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- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided 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, the Company is not a Nidhi Company. Hence, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of all transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placements of shares or debentures during the year. Hence, reporting under clause 3(xiv) of the Order is not applicable.
- (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. Hence, reporting under clause 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanation given to us and in our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **ABARNA & ANANTHAN**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No: 000003S

*Aparna*



**Abarna Bhaskar**  
Partner  
Membership No.025145

UDIN: 21025145 AAAABJ3148

Place: Bangalore  
Date: 26/07/2021

---

**Head Office: #521, 3<sup>rd</sup> Main, 6<sup>th</sup> Block, 2<sup>nd</sup> Phase, BSK 3<sup>rd</sup> Stage, Bangalore 560 085**

**☎ : +91 8880097322 /+91 80 26426022 / 📠 : 2672 7430**

**Branch at : Chennai**

**📧 : [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)**

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of National E-Governance Services Limited of even date)**

**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 Limited** (“the Company”) as of 31<sup>st</sup> March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year 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 (‘Guidance Note’) 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 the Company’s business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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’) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.



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Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls 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 judgement, 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 over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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**✉ : [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)**

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31st March 2021, based on the internal controls over financial reporting criteria established by the Company considering the essential components of 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.

For **ABARNA & ANANTHAN**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No: 000003S

*Abarna*



**Abarna Bhaskar**  
Partner  
Membership No: 025145

UDIN: 21025145 AAAA BJ 3148

Place: Bangalore  
Date: 26/07/2021

---

Head Office: #521, 3<sup>rd</sup> Main, 6<sup>th</sup> Block, 2<sup>nd</sup> Phase, BSK 3<sup>rd</sup> Stage, Bangalore 560 085

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Branch at : Chennai

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ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT

Report under Section 143(5) of the Companies Act, 2013 relating to the directions issued by the Comptroller and Auditor General of India

Sl. No.	Directions	Compliance
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has a system in place to process all the accounting transactions electronically. However the invoices are prepared manually in word format and management is having adequate system in place to process the accounting transaction related to invoicing outside IT system
2	Whether there is any restructuring of an existing loan or cases of waiver/write off to debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	The Company has not availed any facilities from Banks/Financials Institutions during year under audit and in the previous year. Hence restructuring of an existing loan or cases of waiver/write off to debts/loans/interest etc does not arise.
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	No funds (grants/subsidy etc.) were received for specific schemes from Central/State Agencies by the Company.

For ABARNA & ANANTHAN  
CHARTERED ACCOUNTANTS  
Firm Registration No: 000003S

*Aparna*

**Abarna Bhaskar**  
Partner  
Membership No: 025145



UDIN: 21025145 AAAA B3 3148

Place: Bangalore  
Date: 26/07/2021

Head Office: #521, 3<sup>rd</sup> Main, 6<sup>th</sup> Block, 2<sup>nd</sup> Phase, BSK 3<sup>rd</sup> Stage, Bangalore 560 085

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Branch at : Chennai

✉ : [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)

**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 2021**

The preparation of financial statements of National E-Governance Services Limited for the year ended 31 March 2021 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 the 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 26 July 2021.

I, on behalf of Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of the National E-Governance Services Limited for the year ended 31<sup>st</sup> March 2021 under section 143(6)(a) of the Act.

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

Sd/-

(P. V. Hari Krishna)

Principal Director of Audit (Shipping), Mumbai

Place: Mumbai

Date:18.08.2021

**National E-Governance Services Limited**

CIN: U72900MH2016GOI282855

**Balance Sheet as at March 31, 2021**

(All amounts are in INR thousands, unless as otherwise stated)

Particulars	Note	2021	2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	4	6,749	6,218
Right-of-use asset	5	25,206	33,250
Other intangible assets	4	79,467	86,163
Intangible assets under development	4	-	9,500
Financial assets	6		
Investments	6.1	1,49,841	71,845
Other financial assets	6.2	1,12,444	1,13,328
Other non-current assets	8	1,313	580
<b>Current assets</b>			
Financial assets	9		
Investments	9.1	93,150	21,480
Trade receivables	9.2	1,99,087	3,38,520
Cash and cash equivalents	9.3.1	71,093	14,141
Other bank balances	9.3.2	7,94,330	5,22,700
Other financial assets	9.4	32,725	15,865
Other current assets	10	23,778	31,282
		<b>15,89,183</b>	<b>12,64,872</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	7,50,000	7,50,000
Other equity	12	3,49,007	74,308
<b>Non current liabilities</b>			
Financial liabilities	13		
Lease liabilities	13.1	18,364	27,012
Other financial liabilities	13.2	1,214	1,140
Provisions	14	7,266	4,264
Deferred tax liabilities (net)	7	4,454	6,471
Other non-current liabilities	15	1,08,150	1,22,731
<b>Current liabilities</b>			
Financial liabilities	16		
Lease liabilities	16.1	14,774	12,023
Trade payables	16.2		
a) Total outstanding dues of micro and small enterprises		4,389	2,582
b) Total outstanding dues of creditors other than micro and small enterprises		14,080	15,989
Other financial liabilities	16.3	3,759	2,112
Other current liabilities	17	2,86,285	2,36,925
Provisions	18	27,441	9,315
		<b>15,89,183</b>	<b>12,64,872</b>

Significant accounting policies

3

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

As per our report of even date attached

For **Abarna & Ananthan**

Chartered accountants

Firm registration number: 000003S

For and on behalf of the Board of Directors of  
**National E-Governance Services Limited**

Abarna Bhaskar

Partner

Membership No: 025145

Date: 26/07/2021

Place: Bengaluru



R. Gandhi

Director

DIN: 03341633

Vinod Shenoy M.  
Chief Financial Officer

Date: 26/07/2021

Place: Bengaluru

S. Sadagopan

Director

DIN: 00118285

Mruthunjaya Murthy  
Company Secretary

**National E-Governance Services Limited**

CIN: U72900MH2016GOI282855

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

(All amounts are in INR thousands, unless as otherwise stated)

Particulars	Note	2021	2020
Revenue from operations	19	5,15,826	2,88,790
Other Income	20	57,002	44,219
<b>Total Revenue</b>		<b>5,72,828</b>	<b>3,33,009</b>
<b>Expenses</b>			
Cost of services	21	40,067	16,241
Employee benefit expenses	22	72,335	49,514
Finance costs	23	2,406	3,010
Depreciation and amortization expense	4 & 5	52,274	39,306
Other expenses	24	36,919	35,892
<b>Total Expenses</b>		<b>2,04,001</b>	<b>1,43,963</b>
<b>Profit/(Loss) before tax</b>		<b>3,68,827</b>	<b>1,89,046</b>
Tax expense			
Current tax		(95,641)	(21,756)
Deferred tax	7	1,890	(26,155)
<b>Profit/( Loss) for the year from continuing operations</b>		<b>2,75,076</b>	<b>1,41,135</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>			
Re-measurements of defined benefit plan actuarial gains/ (losses)		(504)	(1,097)
Deferred tax		127	194
<b>Total other comprehensive income for the year</b>		<b>(377)</b>	<b>(903)</b>
<b>Total comprehensive profit for the year</b>		<b>2,74,699</b>	<b>1,40,232</b>
<b>Earning per equity share of face value of Rs.10 each</b>			
Basic and Diluted (amount in ₹ per share)	32	3.67	1.88

Significant Accounting Policies

3

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

As per our report of even date attached

For **Abarna & Ananthan**

Chartered accountants

Firm registration number: 000003S

*Abarna*

Abarna Bhaskar  
Partner  
Membership No: 025145  
Date: 26/07/2021  
Place: Bengaluru



For and on behalf of the Board of Directors of

**National E-Governance Services Limited**

*R. Gandhi*

R. Gandhi  
Director  
DIN: 03341633

*P. Sadagopan*

P. Sadagopan  
Director  
DIN: 00118285

*Vinod Shenoy M.*

Vinod Shenoy M.  
Chief Financial Officer  
Date: 26/07/2021  
Place: Bengaluru

*Mruthunjaya Murthy*

Mruthunjaya Murthy  
Company Secretary



**National E-Governance Services Limited**

CIN: U72900MH2016GOI282855

**Cash Flow Statement for the year ended March 31, 2021**

(All amounts are in INR thousands, unless as otherwise stated)

Particulars	Note	2021	2020
<b>Cash flow from operating activities</b>			
<b>Profit/(Loss) for the year before tax</b>		3,68,827	1,89,046
Adjustment to reconcile net profit to net cash provided by operating activities			
Depreciation		52,274	39,306
Profit from sale of mutual funds		(838)	(1,597)
Long term gain from sale of mutual funds		-	(652)
Gain on fair value restatement of mutual funds		(996)	(150)
Interest income from fixed deposits		(52,889)	(37,804)
Interest income from government securities		(1,080)	-
Finance costs - Leases (IndAS 116)		2,332	2,940
Assets written off		-	663
(Profit)/loss on sale of assets		11	(81)
Gain on lease modification (IndAS 116)		383	(1,243)
<i>Change in assets &amp; liabilities</i>			
Trade payables		3,436	(11,271)
Other financial liabilities current/non-current		1,721	2,142
Other liabilities current/non-current		34,780	2,92,314
Provisions current/non-current		16,137	1,688
Trade receivables		1,39,433	(2,61,797)
Other financial assets current/non-current		(5,303)	(1,012)
Other current assets current/non-current		(4,370)	9,731
Cash generated from operations		<b>5,53,858</b>	<b>2,22,223</b>
Income taxes paid		(78,073)	(32,825)
<b>Net cash generated by operating activity</b>		<b>4,75,785</b>	<b>1,89,398</b>
<b>Cash flow from investing activities</b>			
Expenditure on property plant and equipment		(3,015)	(1,704)
Expenditure on intangible assets		(28,210)	(46,059)
Proceeds from sale of assets		32	520
Investment in fixed deposits (net of redemption)		(2,70,931)	(1,34,476)
Interest received on fixed deposits		41,517	26,978
Payment to acquire liquid mutual funds		(1,91,594)	(1,94,850)
Proceeds from redemption of mutual funds		1,33,601	1,87,189
Investment in government securities		(74,841)	-
Interest received on government securities		1,080	-
Investment in subsidiaries		(15,000)	(20,000)
<b>Net cash used in investing activities</b>		<b>(4,07,361)</b>	<b>(1,82,402)</b>
<b>Cash flow from financing activities</b>			
Repayment of Lease liability on Right of Use assets - IndAS 116		(9,252)	(9,184)
Interest paid Lease liability on Right of Use assets - IndAS 116		(2,220)	(2,864)
<b>Net cash generated in financing activities</b>		<b>(11,472)</b>	<b>(12,048)</b>
Net increase in cash or cash equivalents		56,952	(5,052)
Cash and cash equivalent at the beginning		14,141	19,193
<b>Cash and cash equivalent at the close</b>		<b>71,093</b>	<b>14,141</b>
<b>Components of cash and cash equivalents</b>	9.3.1		
Cash in hand		-	21
Balances with banks			
Current accounts		9,652	8,391
In deposit account with original maturity within 3 months from the date of deposit		61,441	5,729
<b>Total cash and cash equivalents</b>		<b>71,093</b>	<b>14,141</b>

As per our report of even date attached\*.

For **Abarna & Ananthan**

Chartered accountants

Firm registration number: 000003S

*Abarna*  
Abarna Bhaskar  
Partner  
Membership No: 025145  
Date: 26/07/2021  
Place: Bengaluru



For and on behalf of the Board of Directors of  
**National E-Governance Services Limited**

*R. Gandhi*  
R. Gandhi  
Director  
DIN: 03341633

*S. Sadagopan*  
S. Sadagopan  
Director  
DIN: 00118285

*Vinod Shenoy M.*  
Vinod Shenoy M.  
Chief Financial Officer  
Date: 26/07/2021  
Place: Bengaluru

*Mruthunjaya Murthy*  
Mruthunjaya Murthy  
Company Secretary



**National E-Governance Services Limited**

CIN: U72900MH2016GOI282855

**Statement of Changes in Equity for the year ended March 31, 2021**

(All amounts are in INR thousands, unless as otherwise stated)

**a) Equity share capital****Equity shares of Rs 10 each issued, subscribed and fully paid**

	2021		2020	
	Nos. (,000)	Amount	Nos. (,000)	Amount
At the beginning of the year	75,000	7,50,000	75,000	7,50,000
Changes during the year	-	-	-	-
<b>At the end of the year</b>	<b>75,000</b>	<b>7,50,000</b>	<b>75,000</b>	<b>7,50,000</b>

Refer note 11, for equity shareholders holding of 5% or more

**b) Other equity**

Particulars	Retained earnings	Total
Balance as at April 1, 2019	(62,947)	(62,947)
Profit/(Loss) for the year	1,41,135	1,41,135
Other comprehensive income not reclassifiable to profit and loss	(903)	(903)
Transition impact of Ind AS 116	(2,977)	(2,977)
<b>Balance as at March 31, 2020 ( Refer Note 12)</b>	<b>74,308</b>	<b>74,308</b>
Balance as at April 1, 2020	74,308	74,308
Profit/(Loss) for the year	2,75,076	2,75,076
Other comprehensive income not reclassifiable to profit and loss	(377)	(377)
Transition impact of Ind AS 116	-	-
<b>Balance as at March 31, 2021 ( Refer Note 12)</b>	<b>3,49,007</b>	<b>3,49,007</b>

As per our report of even date attached

For **Abarna & Ananthan**

Chartered accountants

Firm registration number: 000003S

*Abarna*  
 Abarna Bhaskar  
 Partner  
 Membership No: 025145  
 Date: 26/07/2021  
 Place: Bengaluru

For and on behalf of the Board of Directors of  
**National E-Governance Services Limited**

*R. Gandhi*

R. Gandhi  
 Director  
 DIN: 03341633

*Vinod Shenoy M.*

Vinod Shenoy M.  
 Chief Financial Officer  
 Date: 26/07/2021  
 Place: Bengaluru

*S. Sadagopan*

S. Sadagopan  
 Director  
 DIN: 00118285

*Mruthunjaya Murthy*

Mruthunjaya Murthy  
 Company Secretary



## National E-Governance Services Limited

CIN: U72900MH2016GOI282855

### Notes to the standalone Ind AS financial statements for the year ended March 31, 2021

(All amounts are in INR thousands, unless as otherwise stated)

#### Company overview and significant accounting policies

##### 1. Corporate information

National E-Governance Services Limited ('Company') was incorporated on 24th June, 2016. The Company has its registered office in Mumbai and its administrative office in Bengaluru. The main object of the Company is to perform the role of Information Utility under the Insolvency and Bankruptcy Code, 2016. During the financial year 2017-18, the Company incorporated two subsidiaries:

Name	Date of incorporation	
NESL Asset Data Limited	08/09/2017	Refer schedule 6.1
NESL E-Infrastructure Limited	18/12/2017	Refer schedule 6.1

##### 2. Basis for preparation and presentation

###### Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies Act 2013 ('Act'). The Ind AS is prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules, 2016 as amended subsequently by applicable amendment rules as amended from time to time upto 2021.

Accounting policies have been consistently applied 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.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on July 26, 2021

###### Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention except for:

- certain financial instruments that are measured at fair values at the end of each reporting period under IndAS as suitably described in the accounting policies.
- certain arrangements which, are treated as being leases under Ind AS 116 Leases and, are capitalized as Right of Use assets, at fair value of estimated cash flows towards such rights over estimated lease term.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



## National E-Governance Services Limited

CIN: U72900MH2016GOI282855

### Notes to the standalone Ind AS financial statements for the year ended March 31, 2021

(All amounts are in INR thousands, unless as otherwise stated)

#### Company overview and significant accounting policies

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the standalone Ind AS financial statements are categorized 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 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. This note summarizes accounting policy for fair value and the other fair value related disclosures are given in the relevant notes.

Previous year's figures, where necessary have been regrouped, recast and reclassified suitably to correspond with those of current year's figures. All amounts stated in the financial statements and notes to accounts have been rounded off to the nearest thousands as per the requirement of Schedule III Division 2, unless otherwise stated.

### 3. Summary of significant accounting policies

#### (a) Revenue recognition

Revenue is measured at fair value of consideration, received or receivable net of discounts, taking into account contractually defined terms and excluding taxes, duties collected on behalf of the government.

The following specific recognition criteria must also be met before revenue is recognized:

##### *Information Utility income*

The Company provides information utility services to its clients. The services include receiving of data/documents related to loans/advances submitted by financial creditors, operational creditors, operational debtors and other participants such as resolution professionals. Revenue from information utility services from financial creditor is recognized as the services are performed over time on a monthly basis. Revenue from a contract is not recognized for the month if the information is submitted by the clients after 26<sup>th</sup> of such month. In 2021, a cutoff of 26<sup>th</sup> of such month is used instead of earlier convention of not recognizing revenue for last four working days of the month. The uniform cutoff of 26<sup>th</sup> is adopted for 2021 to aid/facilitate automations in revenue recognition process.

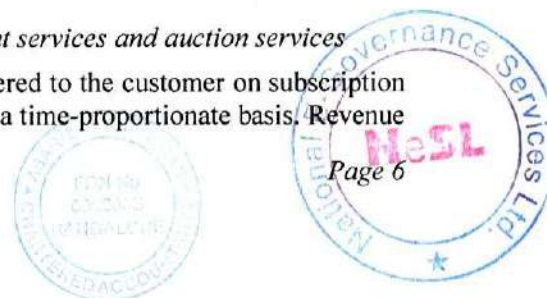
Revenue from information utility services for submissions from Operational Creditor and other participants are recognized on submission/ upload of information into the Information Utility system.

##### *Income from E-Sign services*

Revenue is recognized when E-sign counts are accepted by the customer.

##### *Income from Platform for Distressed Asset (PDA), case management services and auction services*

Revenue from PDA services and case management services are offered to the customer on subscription basis. These are recognized over the tenure of such subscription, on a time-proportionate basis. Revenue



**National E-Governance Services Limited**

CIN: U72900MH2016GOI282855

**Notes to the standalone Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless as otherwise stated)

**Company overview and significant accounting policies**

from auction services are recognized on availment of auction services (specific event) by the customer. In 2021 there are no auction services billed or availed the customer.

*Interest income*

Interest income is recognized, on a time proportionate basis with respect to principal balance outstanding using effective interest rate method.

**(b) Functional currency**

The standalone Ind AS financial statements are presented in INR, which is also the Company's functional currency. Transactions in foreign currencies, if any, are initially recorded by the Company at their respective functional currency spot rates at the date; the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income ("OCI") or statement of profit and loss are also recognized in OCI or statement of profit and loss, respectively).

**(c) Taxes**

**Current income tax**

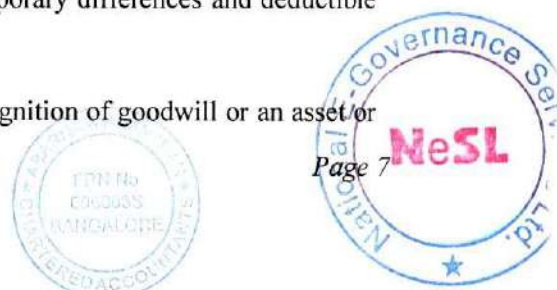
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax related to items recognised outside statement of profit and loss is recognised either in OCI or in equity in correlation to the underlying transaction. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences, except:

- when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or



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liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

#### (d) Property, plant and equipment, depreciation and amortisation

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of profit and loss. An individual item of property, plant and equipment with value less than Rs 5,000/- is not recognized for capitalization and is written off in the statement of profit and loss.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the useful lives of the assets, as specified in Schedule II to the Companies Act, 2013, except vehicles, as follows:

Category	Useful life (years)	Life as per Schedule II
Furniture and fixtures	10	10
Computers and accessories	3	3
Server	6	6
Office equipment	5	5
Vehicles	6	8

Vehicles consisting of company car, is depreciated over useful life of 6 years, instead of 8 years prescribed under Companies Act, 2013. Due to faster technology obsolescence, constantly evolving emission standards and maintenance costs, it is considered prudent by the management to replace cars earlier than the prescribed 8 years under Schedule II, Companies Act, 2013.



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Leasehold improvements are amortized on a straight-line basis over the unexpired period of lease or five years whichever is less.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The value of the residual value is limited to 5% of the original cost of Property, Plant and Equipment as per the requirement of Schedule II to the Companies Act, 2013.

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

#### **(e) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The amortization expense on intangible assets is recognized in the statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The cost of Information utility software is capitalized and amortized on a straight-line basis over the useful life of five years, as estimated by the management. Additional software development costs of modules are amortised over balance future useful life of Information utility software. Information utility software is an in-house software being developed, over various modules, by the Company.

The registration/license fee, paid to the Insolvency and Bankruptcy Board of India, is amortised over the term of validity of registration (5 years).

The cost of computer software is capitalized and amortized on a straight-line basis over the useful life of five years, as estimated by the management.

#### **(f) Borrowing costs**

Borrowing costs include:

- (i) Interest expense calculated using the effective interest rate method,
- (ii) Finance charges in respect of finance leases, and
- (iii) Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit and loss in the period in which they are incurred.

#### **(g) Leases**

The arrangements, including contracts, are evaluated if they are a lease or have a lease component. This determination is made at the inception of the contract. In case of arrangement having lease and non-lease



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components, these are separately accounted. Leases identified are accounted individually as separate leases.

Arrangements whose fulfilment depend on a specific asset which is identified under the arrangement to fulfil obligations, either expressly or in substance and the Company has substantive right to use such specific asset over a period of time under arrangement, and to obtain substantially all economic benefits over such period of time constitute leases. Lease term includes non-cancellable period under arrangement and period during which the company is reasonably certain to use such identified assets. Such Lease arrangements identified are recorded as 'Right of Use' assets along with a lease liability by discounting the future cash flows under the lease arrangement, using implicit rate or incremental borrowing rate applicable for the lease term. 'Right of Use' assets are depreciated over the lease term and interest expense on lease liability is recorded under other finance costs.

Lease modification(s) are evaluated to ascertain, whether the modification is a separate lease. The amount of the re-measurement of lease liability due to modification is recognised as an adjustment to the 'Right of Use' asset and Statement of Profit and Loss, depending on the nature of modification.

Arrangements which contain low value leases with monthly outflow of less than Rs 10,000 or arrangements which contain lease with original term of upto 12 months are not accounted as lease arrangements under Ind AS 116.

**(h) Impairment of non-financial assets**

At the end of each reporting period, 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). When 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. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the statement of profit and loss.

The Company reviews its Property, Plant and Equipment and Intangible Assets annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.



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##### (i) Provisions

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

##### (j) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes changes in the net defined benefit obligation which includes service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and net interest expense or income, as an expense in the statement of profit and loss.

##### *Paid compensated absences*

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The cost incurred towards paid compensated absences, including the gain or loss on such actuarial valuation, is recognized in the statement of profit and loss.

##### (k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial assets

##### *Initial recognition and measurement*

All financial assets, other than financial assets fair valued through statement of profit and loss, are



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recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs that are attributable to the acquisition of the financial asset fair valued through statement of profit and loss are expensed as incurred.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in below categories:

- Financial asset at amortized cost
- Financial asset at fair value through other comprehensive income (FVTOCI)
- Financial asset at fair value through statement of profit and loss (FVTPL)

A financial asset is measured at the amortized cost, if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method. This category generally applies to trade and other receivables.

A financial asset is classified as FVTOCI, if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- (ii) The asset's contractual cash flows represent SPPI.

Financial asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI.

FVTPL is a residual category for financial asset. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Financial asset included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### *Investment in subsidiaries*

Investments in subsidiaries are carried at cost less accumulated impairment loss, if any. In the event of any indication of impairment, the carrying amount of investment is evaluated and an impairment provision is recognised if considered necessary immediately to its recoverable amount.

#### *De-recognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.



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On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in Statement of profit and loss if such gain or loss would have otherwise been recognized in Statement of profit and loss on disposal of that financial asset.

*Impairment of financial assets*

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract work-in-progress. The application of simplified approach does not require the Company to track changes in credit risk; rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The Company uses a provision matrix based on age to determine impairment loss allowance on portfolio of its trade receivables and contract work-in-progress. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

**Financial liabilities**

*Initial recognition and measurement*

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include lease liabilities, trade and other payables.

*Subsequent measurement*

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through statement of profit and loss. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The amortization is included as finance costs in the statement of profit and loss.

*De-recognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability.



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The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**Equity Instrument**

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognized by the Company are recognized at the proceeds received net of direct issue cost.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

**(l) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(m) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone Ind AS financial statements.

**(n) Earnings per share**

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**Significant accounting judgments, estimates and assumptions**

In the application of the Company's accounting policies, which are described in this note, the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period:



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- Estimated useful life of intangible assets
- Estimated useful life and residual value of property, plant and equipment
- Estimation of defined benefit obligation
- Recognition of deferred taxes
- Impairment of trade receivables
- Estimated useful life and implicit interest rate/incremental borrowing rate used for recognizing Right of Use assets

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Non - current assets

4 Property Plant and Equipment, Other intangible assets and, Intangible assets under development

Description	Cost			Depreciation/amortisation		Carrying amount				
	As on 01/04/2020	Additions	Deletion	As on 31/03/2021	As on 01/04/2020	For the Year	Withdrawals	Upto 31/03/2021	WDV as on 31/03/2021	WDV as on 31/03/2020
<b>Tangible assets</b>										
Vehicles	1,108	-	-	1,108	410	175	-	585	523	698
Computers	5,191	3,258	-	8,449	3,061	1,443	-	4,504	3,945	2,130
Servers and networks	2,044	-	-	2,044	768	324	-	1,092	952	1,276
Furniture and fittings	204	-	-	204	37	19	-	56	148	167
Leasehold premises improvements - Mumbai	2,442	-	-	2,442	1,899	420	-	2,319	123	543
Leasehold premises improvements - Bangalore	96	-	-	96	6	18	-	24	72	90
Office Equipment's	2,346	162	130	2,378	1,032	447	87	1,392	986	1,314
<b>Total</b>	<b>13,431</b>	<b>3,420</b>	<b>130</b>	<b>16,721</b>	<b>7,213</b>	<b>2,846</b>	<b>87</b>	<b>9,972</b>	<b>6,749</b>	<b>6,218</b>
<i>Previous year comparatives (FYE 2020)</i>	<i>13,528</i>	<i>1,628</i>	<i>1,725</i>	<i>13,431</i>	<i>4,608</i>	<i>3,227</i>	<i>622</i>	<i>7,213</i>	<i>6,218</i>	
<b>Other intangible assets</b>										
IU software	1,21,723	29,802	-	1,51,525	39,037	36,890	-	75,927	75,598	82,686
IU License fees	5,000	-	-	5,000	2,518	1,000	-	3,518	1,482	2,482
Other software	1,930	2,026	-	3,956	935	634	-	1,569	2,387	995
<b>Total</b>	<b>1,28,653</b>	<b>31,828</b>	<b>-</b>	<b>1,60,481</b>	<b>42,490</b>	<b>38,524</b>	<b>-</b>	<b>81,014</b>	<b>79,467</b>	<b>86,163</b>
<i>Previous year comparatives (FYE 2020)</i>	<i>94,707</i>	<i>33,946</i>	<i>-</i>	<i>1,28,653</i>	<i>17,277</i>	<i>25,213</i>	<i>-</i>	<i>42,490</i>	<i>86,163</i>	
<b>Intangible assets under development</b>										
IU software under development	9,500	9,995	19,495	-	-	-	-	-	-	9,500
<b>Total</b>	<b>9,500</b>	<b>9,995</b>	<b>19,495</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,500</b>
<i>Previous year comparatives (FYE 2020)</i>	<i>9,572</i>	<i>17,007</i>	<i>17,079</i>	<i>9,500</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>9,500</i>

5 Right of use asset

Description	Cost			Depreciation/amortisation		Carrying amount				
	As on 01/04/2020	Additions	Deletion	As on 31/03/2021	As on 01/04/2020	For the Year	Withdrawals	Upto 31/03/2021	WDV as on 31/03/2021	WDV as on 31/03/2020
Leasehold property - Gresham house, Mumbai	1,543	-	-	1,543	1,029	514	-	1,543	-	514
Leasehold property - The Estate, Bangalore	15,388	-	-	15,388	1,282	3,078	-	4,360	11,028	14,106
Servers- virtual machines	18,488	2,860	-	21,348	6,286	5,043	-	11,329	10,019	12,202
Servers - storage space	8,697	-	-	8,697	2,269	2,269	-	4,538	4,159	6,428
<b>Total</b>	<b>44,116</b>	<b>2,860</b>	<b>-</b>	<b>46,976</b>	<b>10,866</b>	<b>10,904</b>	<b>-</b>	<b>21,770</b>	<b>25,206</b>	<b>33,250</b>
<i>Previous year comparatives (FYE 2020)</i>	<i>43,830</i>	<i>16,301</i>	<i>16,015</i>	<i>44,116</i>	<i>-</i>	<i>10,866</i>	<i>-</i>	<i>10,866</i>	<i>33,250</i>	

**Non-current assets****6 Financial assets****6.1 Investments**

Particulars	2021	2020
<b>Non current investments:</b>		
<b>Investments in equity instruments</b>		
<b>Subsidiaries - wholly owned (Unquoted)</b>		
NESL Asset Data Limited - 65,00,000 shares (PY: 50,00,000 shares) of Rs. 10/- each fully paid up	65,000	50,000
NESL E-infrastructure Limited - 10,00,000 shares (PY: 10,00,000 shares) of Rs. 10/- each fully paid up	10,000	10,000
	<u>75,000</u>	<u>60,000</u>
<b>Investments in mutual funds (quoted) measured at fair value through Profit and Loss</b>		
Investment in SBI Debt Fund Series C-7 (1190 days) Direct Growth Nil units (PY: 10,00,000) at market price (NAV).	-	11,845
	<u>-</u>	<u>11,845</u>
<b>Investments in government securities at amortised cost</b>		
Investment in IN1920200434 Karnataka SDL 2030	5,872	-
Investment in IN1920200459 Karnataka SDL 2030	19,213	-
Investment in IN3120200222 Tamil Nadu SDL 2030	23,558	-
Investment in IN3120200347 Tamil Nadu SDL 2031	6,305	-
Investment in IN3120200362 Tamil Nadu SDL 2030	19,893	-
	<u>74,841</u>	<u>-</u>
	<u>1,49,841</u>	<u>71,845</u>

Note:

- Mutual funds are carried at fair value based on the quoted market price (NAV) of the funds as on balance sheet date.
- Government securities are classified as held to maturity investments and carried at amortised cost.

**6.2 Other financial assets**

Particulars	2021	2020
Security deposits - non current refundable	1,344	1,528
Bank deposits with maturity more than 12 months from balance sheet date	1,11,100	1,11,800
	<u>1,12,444</u>	<u>1,13,328</u>

Note: Security deposits are fair valued under effective interest rate method using discount rate prevalent for FDs of similar term at the time of origination of such security deposits.

**7 Deferred tax asset/(liability)**

Particulars	Balance as at 2020	Recognised/ (reversed) during the year in statement of Profit and Loss	Recognised/ (reversed) during the year in OCI	Recognised/ (reversed) during the year in Equity	Balance as at 2021
Depreciation	(7,280)	1,566	-	-	(5,714)
Preliminary expenses u/s 35D	212	(212)	-	-	-
Expenses under sec 40A (7) of the Income Tax Act, 1961- Provision for gratuity	643	110	127	-	880
Expenses disallowed under sec 40 (a) (ia) of the Income Tax Act, 1961 for non-deduction of TDS	-	-	-	-	-
Expenses under sec 43B of the Income Tax Act, 1961- Provision for leave encashment	455	677	-	-	1,132
Mutual funds - fair value adjustments under Ind AS	(501)	(251)	-	-	(752)
Deferred tax asset for carried forward tax loss	-	-	-	-	-
<b>Total</b>	<u>(6,471)</u>	<u>1,890</u>	<u>127</u>	<u>-</u>	<u>(4,454)</u>

**8 Other non-current assets**

Particulars	2021	2020
Prepaid expenses - non current	1,313	580
	<u>1,313</u>	<u>580</u>



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**Current assets**

**Financial assets**

**9.1 Investments**

Particulars	2021	2020
<b>Current investments:</b>		
<b>Investments in mutual funds (quoted) measured at fair value through Profit and Loss</b>		
Investment in LD72SG SBI Liquid Fund Direct Growth 25001.6860 units (PY: 6925.3940 units) at market price (NAV).	80,546	21,480
Investment in SBI Debt Fund Series C-7 (1190 days) Direct Growth 10,00,000 units (PY: Nil) at market price (NAV).	12,604	-
<b>Total</b>	<b>93,150</b>	<b>21,480</b>

Note: Mutual funds are carried at fair value base on the quoted market price (NAV) of the funds as on balance sheet date.

**9.2 Trade receivables**

Particulars	2021	2020
(a) Trade Receivables considered good - Secured;	-	-
(b) Trade Receivables considered good - Unsecured;		
Receivable from related parties	4,043	5,913
Receivable from others	1,95,044	3,32,607
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables - credit impaired	-	-
<b>Total</b>	<b>1,99,087</b>	<b>3,38,520</b>

**9.3.1 Cash and cash equivalents**

Particulars	2021	2020
Cash in hand	-	21
<b>Balance with banks (of the nature of cash and cash equivalents)</b>		
In current account	9,652	8,391
In deposit account with original maturity within 3 months from the date of deposit	61,400	5,724
Income accrued but not due on fixed deposits (Cash and Cash equivalent)	41	5
<b>Total</b>	<b>71,093</b>	<b>14,141</b>

**9.3.2 Other bank balances**

Particulars	2021	2020
In deposit account with maturity within 12 months of balance sheet date*	7,94,330	5,22,700
<b>Total</b>	<b>7,94,330</b>	<b>5,22,700</b>

Note: Fixed deposits with original maturity period of less than 3 months are classified as "Cash and cash equivalents" and fixed deposit with original maturity period of more than 3 months but maturing within 12 months from the balance sheet date are classified as "Other bank balances".

\* This includes an amount of Rs 11 lakh in fixed deposit, offered as security/lien for the purpose of performance bank guarantee (refer note 34).

**9.4 Other financial assets**

Particulars	2021	2020
Unbilled revenue - Financial creditors	3,919	-
Unbilled revenue - Others	145	-
Security deposits - current refundable	1,437	100
Income accrued but not due on Government securities	87	-
Income accrued but not due on fixed deposits	27,137	15,765
<b>Total</b>	<b>32,725</b>	<b>15,865</b>

**10 Other current assets**

Particulars	2021	2020
Income tax paid	15,785	26,927
GST input credit	3,314	2,917
GST recoverable	1,217	-
Prepaid expenses -current	1,772	1,287
Other advances	1,690	151
<b>Total</b>	<b>23,778</b>	<b>31,282</b>



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**Equity**

**11 Share capital**

Particulars	2021	2020
<b>Authorised share capital</b>		
10,00,00,000 (previous year: 10,00,00,000) equity shares of Rs. 10/- each.	10,00,000	10,00,000
	<b>10,00,000</b>	<b>10,00,000</b>
<b>Issued, subscribed and fully paid-up share capital</b>		
7,50,00,000 (previous year: 7,50,00,000) equity shares of Rs 10/- each.	7,50,000	7,50,000
	<b>7,50,000</b>	<b>7,50,000</b>

**Reconciliation of equity shares outstanding and the amount of share capital is set out below:**

Particulars	2021		2020	
	Number of shares (,000)	Amount	Number of shares (,000)	Amount
Number of shares at the beginning of the year	75,000	7,50,000	75,000	7,50,000
Shares issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>75,000</b>	<b>7,50,000</b>	<b>75,000</b>	<b>7,50,000</b>

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.

**Particulars of equity shareholders holding more than 5 percent of equity shares:**

Name of the shareholder	2021		2020	
	Number of shares (,000)	Percentage holding	Number of shares (,000)	Percentage holding
Life Insurance Corporation	4,500	6.00%	4,500	6.00%
State Bank of India	7,500	10.00%	7,500	10.00%
Canara Bank	7,500	10.00%	7,500	10.00%
Bank of Baroda (Merged entity)	10,500	14.00%	10,500	14.00%
ICICI Bank	7,425	9.90%	7,425	9.90%
Axis Bank Ltd.	7,125	9.50%	7,125	9.50%
Karnataka Bank Ltd.	4,500	6.00%	4,500	6.00%

**Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

The Company has not bought back any shares during the period from the date of inception to March 31, 2021. Further, the Company has not issued any bonus shares or issued shares for consideration other than cash during the year and period from the date of inception to March 31, 2021.

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<b>12 Other equity</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
<b>Retained earnings</b>		
Opening balance	74,308	(62,947)
Add: Profit/(Loss) for the year	2,75,076	1,41,135
Add: Other comprehensive income	(377)	(903)
Transition impact of Ind AS 116	-	(2,977)
<b>Total</b>	<b>3,49,007</b>	<b>74,308</b>
<b>Non - current liabilities</b>		
<b>13 Financial liabilities</b>		
<b>13.1 Lease liabilities</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Lease liability	18,364	27,012
<b>Total</b>	<b>18,364</b>	<b>27,012</b>
<b>13.2 Other financial liabilities</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Deposits received	1,214	1,140
<b>Total</b>	<b>1,214</b>	<b>1,140</b>
Note: Deposits received are fair valued under effective interest rate method using discount rate prevalent for FDs of similar term at the time of origination of such deposits.		
<b>14 Provisions (non-current)</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Provision for gratuity (non-current)	3,460	2,546
Provision for leave encashment (non-current)	3,806	1,718
<b>Total</b>	<b>7,266</b>	<b>4,264</b>
<b>15 Other non-current liabilities</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Deferred income - Financial creditors (non current) (Refer note 28)	1,08,150	1,22,731
<b>Total</b>	<b>1,08,150</b>	<b>1,22,731</b>
<b>Current liabilities</b>		
<b>16 Financial liabilities</b>		
<b>16.1 Lease liabilities</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Lease liability - current	14,774	12,023
<b>Total</b>	<b>14,774</b>	<b>12,023</b>
<b>16.2 Trade payables</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Total outstanding dues of micro and small enterprises	4,389	2,582
Total outstanding dues of creditors other than micro and small enterprises		
Related Parties	-	-
Others		
Creditors for supplies & services	13,522	14,905
Creditors for expenses	558	1,084
<b>Total</b>	<b>18,469</b>	<b>18,571</b>
Note: Payments due to parties who are registered as micro and small enterprises under the "The Micro, Small and Medium Enterprises Act, 2006" were made within stipulated time under that Act.		
<b>16.3 Other financial liabilities</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Advances returnable	3,759	112
Deposits received - current	-	2,000
<b>Total</b>	<b>3,759</b>	<b>2,112</b>
<b>17 Other current liabilities</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Statutory liabilities	16,248	35,688
Deferred income - Financial creditors (current) (Refer note 28)	2,67,437	1,99,376
Deferred income - Ind AS fair value adjustment	149	223
Deferred income - Others	630	-
Advance received from customers - non returnable	1,821	1,638
<b>Total</b>	<b>2,86,285</b>	<b>2,36,925</b>
<b>18 Provisions (current)</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Provision for expenses	20,289	9,218
Provision for taxation (net)	6,426	-
Provision for gratuity (current)	34	8
Provision for leave encashment (current)	692	89
<b>Total</b>	<b>27,441</b>	<b>9,315</b>



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<b>19 Revenue from operations</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
IU fee- Financial creditors*	5,13,636	2,88,506
IU fee- Operational creditors	182	284
Other operational revenue	2,008	-
<b>Total</b>	<b>5,15,826</b>	<b>2,88,790</b>
<b>* Summary of financial creditors billing</b>		
	<b>2021</b>	<b>2020</b>
Opening balance: Deferred revenue and Unbilled revenue	3,22,107	60,793
Total billing for financial creditors for the year	5,63,197	5,49,820
(-) Deferred income ( disclosed in note 15 & 17)	(3,75,587)	(3,22,107)
(+) Unbilled revenue ( disclosed in note 9.4)	3,919	-
<b>Revenue recognised for the year</b>	<b>5,13,636</b>	<b>2,88,506</b>
<b>20 Other income</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Interest on fixed deposits	52,889	37,804
Fees for sponsorship services	-	1,850
Interest on security deposits	92	51
Interest on government securities	1,080	-
Interest on IT refund	1,014	218
Profit on sale of motor car	-	81
Gain on redemption of mutual funds- current investments	838	1,597
Long term gain on redemption of mutual funds	-	652
Gain/(loss) on restatement of mutual funds at fair value	996	150
Gain/(loss) on lease modification	(383)	1,243
Miscellaneous income	476	573
<b>Total</b>	<b>57,002</b>	<b>44,219</b>
<b>21 Cost of services</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
IU annual fee	5,000	-
IU technology expenses		
IT contract manpower - Production support and monitoring expenses	2,458	5,268
IT data center expenses +	3,947	2,333
Datawarehouse expenses	5,222	-
Other IT expenses	6,352	2,536
CIRP and VDR expenses	10,459	-
IU operational expenses	6,629	6,104
<b>Total</b>	<b>40,067</b>	<b>16,241</b>
+ This consists of short term leases of Rs. 576 (PY: Rs. 49) (Rs. in thousands) and leases of low-value of Rs. Nil (PY: Rs. 51) (Rs. in thousands) as disclosed under Note - 27 (a)		
<b>22 Employee benefit expenses</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Salary & allowances	61,941	42,104
Contribution to provident fund & superannuation fund	2,673	1,785
Gratuity expense	436	783
Leave encashment and compensated leave benefits	3,721	1,738
Staff welfare expenses	3,564	3,104
<b>Total</b>	<b>72,335</b>	<b>49,514</b>
<b>23 Finance costs</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Interest expense on lease liabilities	2,332	2,940
Interest expense on security deposit received	74	70
<b>Total</b>	<b>2,406</b>	<b>3,010</b>
<b>24 Other expenses</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Rent (Refer note 27) +	1,293	651
Repairs and maintenance	1,037	752
Subscription, rates and taxes	2,870	933
Professional charges	15,034	7,835
Legal fees	2,229	1,600
Communication expenses	1,712	1,233
Advertisement and business promotion	3,342	5,191
Auditors' remuneration		
- Statutory audit	300	200
- Tax audit	100	100
- Out of pocket expenses	11	4
Secretarial audit	100	150
Internal audit	1,200	1,210
Travelling, boarding and conveyance	548	7,776
Insurance expenses	809	237
Directors' sitting fees	2,250	850
Assets written off	-	663
Donations - contribution to PM cares fund	-	2,100
CSR expenses*		
- CSR expenditure in kind	723	-
- Contribution to PM National Relief Fund	92	-
Other miscellaneous/administrative expenses	3,269	4,407
<b>Total</b>	<b>36,919</b>	<b>35,892</b>

+ This consists of short term leases of Rs. 1,214 (PY: Rs. 494) (Rs. in thousands) and leases of low-value of Rs. 87 (PY: Rs. 123) (Rs. in thousands) as disclosed under Note - 27 (a)

\*Refer note - 33 Corporate social responsibility (CSR)



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**25 Related party disclosures**

Names of related parties where control exists irrespective of whether transactions have occurred or not:

Subsidiaries	:	NESL Asset Data Limited NESL E-Infrastructure Limited
Key management personnel	:	Mr. S. Ramann, Managing Director (till April 19, 2021) Mr. Vinod Shenoy M, Chief Financial Officer Mr. M. Murthy, Company Secretary

Details of transactions entered into with related parties along with balances as at year end are as given below:

Particulars	Subsidiaries		Key management personnel		Total	
	2021	2020	2021	2020	2021	2020
<b>A. Transactions during the year</b>						
<b>Investment in subsidiary</b>						
NESL Asset Data Limited	15,000	20,000	-	-	15,000	20,000
NESL E-Infrastructure Limited	-	-	-	-	-	-
	<b>15,000</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>20,000</b>
<b>Income from subsidiaries</b>						
NESL Asset Data Limited	6,177	4,472	-	-	6,177	4,472
NESL E-Infrastructure Limited	2,232	2,600	-	-	2,232	2,600
	<b>8,409</b>	<b>7,072</b>	<b>-</b>	<b>-</b>	<b>8,409</b>	<b>7,072</b>
<b>Expenses from subsidiaries</b>						
NESL Asset Data Limited	2,066	1,297	-	-	2,066	1,297
NESL E-Infrastructure Limited	1,140	2	-	-	1,140	2
	<b>3,206</b>	<b>1,299</b>	<b>-</b>	<b>-</b>	<b>3,206</b>	<b>1,299</b>
<b>Remuneration*</b>						
Mr. S. Ramann	-	-	5,568	4,816	5,568	4,816
Mr. Vinod Shenoy M	-	-	4,603	4,017	4,603	4,017
Mr. M. Murthy	-	-	4,121	3,452	4,121	3,452
	-	-	<b>14,292</b>	<b>12,285</b>	<b>14,292</b>	<b>12,285</b>
	<b>26,615</b>	<b>28,371</b>	<b>14,292</b>	<b>12,285</b>	<b>40,907</b>	<b>40,656</b>

\*The remuneration to key managerial personnel does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Company as a whole.

**B. Balances outstanding as at year end**

Particulars	Subsidiaries		Key management personnel		Total	
	2021	2020	2021	2020	2021	2020
<b>Investment in subsidiary</b>						
NESL Asset Data Limited	65,000	50,000	-	-	65,000	50,000
NESL E-Infrastructure Limited	10,000	10,000	-	-	10,000	10,000
	<b>75,000</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>75,000</b>	<b>60,000</b>
<b>Receivable from subsidiaries</b>						
NESL Asset Data Limited	360	3,442	-	-	360	3,442
NESL E-Infrastructure Limited	3,683	2,471	-	-	3,683	2,471
	<b>4,043</b>	<b>5,913</b>	<b>-</b>	<b>-</b>	<b>4,043</b>	<b>5,913</b>
<b>Remuneration</b>						
Mr. S. Ramann	-	-	-	828	-	828
Mr. Vinod Shenoy M	-	-	-	-	-	-
Mr. M. Murthy	-	-	-	-	-	-
	-	-	-	<b>828</b>	-	<b>828</b>
	<b>79,043</b>	<b>65,913</b>	<b>-</b>	<b>828</b>	<b>79,043</b>	<b>66,741</b>

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**26.1 Gratuity plan**

The following table sets out the status of the unfunded gratuity plan as required by Ind AS 19 - 'Employee benefits'.

<b>Amount Recognized in Statement of Financial Position at Period-End</b>	<b>2021</b>	<b>2020</b>
Present Value of Unfunded Defined Benefit Obligation	3,494	2,554
Fair value of Plan Assets	-	-
	3,494	2,554
Present Value of Funded Defined Benefit Obligation	-	-
Unrecognised Asset due to the Asset Ceiling	-	-
<b>Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position</b>	<b>3,494</b>	<b>2,554</b>
<b>Net Defined Benefit Cost/(Income) included in Statement of Profit &amp; Loss at Period-End</b>	<b>2021</b>	<b>2020</b>
Service Cost	1,784	679
Net Interest Cost	232	104
Past Service Cost	(1,580)	-
Administration Expenses	-	-
(Gain)/Loss due to Settlements/Curtailments/Terminations/Divestitures	-	-
<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss</b>	<b>436</b>	<b>783</b>
<b>Current / Non-Current Bifurcation</b>	<b>2021</b>	<b>2020</b>
Current Benefit Obligation	34	8
Non - Current Benefit Obligation	3,460	2,546
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>3,494</b>	<b>2,554</b>
<b>Actual Return on Plan Assets</b>	<b>2021</b>	<b>2020</b>
Interest Income on Plan Assets	-	-
Remeasurements on Plan Assets	-	-
<b>Actual Return on Plan Assets</b>	<b>-</b>	<b>-</b>
<b>Analysis of Amounts Recognised in Other Comprehensive (Income)/Loss at Period-End</b>	<b>2021</b>	<b>2020</b>
Amount recognized in OCI, Beginning of Period	1,324	226
<b>Remeasurements due to :</b>		
Effect of Change in financial assumptions	175	768
Effect of Change in demographic assumptions	-	-
Effect of experience adjustments	329	329
(Gain)/Loss on Curtailments/Settlements	-	-
Return on plan assets (excluding interest)	-	-
Changes in asset ceiling	-	-
<b>Total remeasurements recognized in OCI</b>	<b>504</b>	<b>1,097</b>
<b>Amount recognized in OCI, End of Period</b>	<b>1,828</b>	<b>1,323</b>
<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss and Other Comprehensive Income</b>	<b>2021</b>	<b>2020</b>
Amount recognized in P&L, End of Period	436	783
Amount recognized in OCI, End of Period	504	1,097
<b>Total Net Defined Benefit Cost/(Income) Recognized at Period-End</b>	<b>940</b>	<b>1,880</b>
<b>Change in the Unrecognised Asset due to the Asset Ceiling During the Period</b>	<b>2021</b>	<b>2020</b>
Unrecognised Asset, Beginning of Period	-	-
Interest on Unrecognised Asset Recognised in P&L	-	-
Other changes in Unrecognised Asset due to the Asset Ceiling	-	-
<b>Unrecognised Asset, End of Period</b>	<b>-</b>	<b>-</b>
<b>Change in Defined Benefit Obligation during the Period</b>	<b>2021</b>	<b>2020</b>
Defined Benefit Obligation, Beginning of Period	2,554	994
Net Current Service Cost	1,784	679
Interest Cost on DBO	232	104
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	504	1,097
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	(320)
Benefits Paid	-	-
Past Service Cost	(1,580)	-
Losses / (Gains) on Curtailments/Settlements	-	-
<b>Defined Benefit Obligation, End of Period</b>	<b>3,494</b>	<b>2,554</b>



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<b>Change in Fair value of Plan Assets during the Period</b>	<b>2021</b>	<b>2020</b>	
Fair value of Plan Assets, Beginning of Period	-	-	
Interest Income Plan Assets	-	-	
Actual Company Contributions	-	-	
Actual Plan Participants' Contributions	-	-	
Actual Taxes Paid	-	-	
Actual Administration Expenses Paid	-	-	
Changes in Foreign Currency Exchange Rates	-	-	
Actuarial Gains/(Losses)	-	-	
Benefits Paid	-	-	
Acquisition/Business Combination/Divestiture	-	-	
Assets extinguished on Settlements/Curtailments	-	-	
<b>Fair value of Plan Assets, End of Period</b>	<b>-</b>	<b>-</b>	
<b>Reconciliation of Balance Sheet Amount</b>	<b>2021</b>	<b>2020</b>	
Balance Sheet (Asset)/Liability, Beginning of Period	2,554	994	
Total Charge/(Credit) Recognised in Profit and Loss	436	783	
Total Remeasurements Recognised in OC (Income)/Loss	504	1,097	
Acquisitions/Business Combinations/Divestitures	-	(320)	
Actual Employer Contribution	-	-	
Other Events	-	-	
<b>Balance Sheet (Asset)/Liability, End of Period</b>	<b>3,494</b>	<b>2,554</b>	
<b>Financial Assumptions Used to Determine the Defined Benefit Obligation</b>	<b>2021</b>	<b>2020</b>	
Discount Rate	7.07%	6.75%	
Salary Escalation Rate	12.00%	10.00%	
<b>Financial Assumptions Used to Determine the Profit &amp; Loss Charge</b>	<b>2021</b>	<b>2020</b>	
Discount Rate	7.07%	6.75%	
Salary Escalation Rate	12.00%	10.00%	
Expected Return on Plan Assets	N.A.	N.A.	
<b>Demographic Assumptions Used to Determine the Defined Benefit Obligation</b>	<b>2021</b>	<b>2020</b>	
Withdrawal Rate	5.00%	5.00%	
Mortality Rate	IALM (2012-14) Ult	IALM (2012-14) Ult	
Retirement Age	60 years	60 years	
<b>Asset Category</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>Quoted Value</b>	<b>Non-Quoted Value</b>	<b>Total</b>
Government of India Securities (Central and State)	0.00%	0.00%	0.00%
High quality corporate bonds (including Public Sector Bonds)	0.00%	0.00%	0.00%
Equity shares of the Company	0.00%	0.00%	0.00%
Insurer Managed Funds & T-bills	0.00%	0.00%	0.00%
Cash (including Bank Balance, Special Deposit Scheme)	0.00%	0.00%	0.00%
Others	0.00%	0.00%	0.00%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Expected Cashflows for the Next Ten Years</b>	<b>2021</b>		
Year - 2022	35		
Year - 2023	525		
Year - 2024	154		
Year - 2025	198		
Year - 2026	231		
Year - 2027 to 2031	1,752		
<b>Defined Benefit Obligation by Participant Status</b>	<b>2021</b>		
a. Actives	3,494		
b. Vested Deferreds	-		
c. Retirees	-		
<b>Total Defined Benefit Obligation</b>	<b>3,494</b>		
<b>Sensitivity Analysis</b>	<b>2021</b>		
Defined Benefit Obligation - Discount Rate + 100 basis points	(313)		
Defined Benefit Obligation - Discount Rate - 100 basis points	396		
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	152		
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(134)		



**National E-Governance Services Limited**

CIN: U72900MH2016GOI282855

**Notes to the standalone Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless as otherwise stated)

**26.2 Leave Encashment & Compensated absence scheme**

The following table sets out the status of leave Encashment & Compensated absence scheme as required by Ind AS 19 - 'Employee benefits'.

<b>Amounts in Balance Sheet at Period-End</b>	<b>2021</b>	<b>2020</b>
Present Value of Unfunded Defined Benefit Obligation	4,498	1,807
Fair value of Plan Assets	-	-
	4,498	1,807
Present Value of Funded Defined Benefit Obligation	-	-
Unrecognised Asset due to Asset Ceiling	-	-
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>4,498</b>	<b>1,807</b>

<b>Amounts Recognised in Statement of Profit &amp; Loss at Period-End</b>	<b>2021</b>	<b>2020</b>
Service Cost	196	120
Net Interest Cost	126	109
Past Service Cost	-	-
Remeasurements	3,399	1,509
(Gain)/Loss due to Settlements/Curtailments/Terminations/Divestitures	-	-
Administration Expenses	-	-
<b>Total Expense/(Income) Included in "Employee Benefit Expense"</b>	<b>3,721</b>	<b>1,738</b>

Note : The actuarial gains & losses are recognised, immediately, through profit & loss account.

<b>Change in Defined Benefit Obligation during the Period</b>	<b>2021</b>	<b>2020</b>
Defined Benefit Obligation, Beginning of Period	1,807	1,392
Net Current Service Cost	196	120
Interest Cost on DBO	126	109
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	3,399	1,509
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture*	-	(362)
Benefits Paid	(1,030)	(961)
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
<b>Defined Benefit Obligation, End of Period</b>	<b>4,498</b>	<b>1,807</b>

<b>Change in Fair value of Plan Assets during the Period</b>	<b>2021</b>	<b>2020</b>
Fair value of Plan Assets, Beginning of Period	-	-
Interest Income on Plan Assets	-	-
Actual Company Contributions	-	-
Actual Plan Participants' Contributions	-	-
Actual Taxes Paid	-	-
Actual Administration Expenses Paid	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	-	-
Benefit Paid	-	-
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
<b>Fair value of Plan Assets, End of Period</b>	<b>-</b>	<b>-</b>



**National E-Governance Services Limited**

CIN: U72900MH2016GOI282855

**Notes to the standalone Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless as otherwise stated)

**26.2 Leave Encashment & Compensated absence scheme**

The following table sets out the status of leave Encashment & Compensated absence scheme as required by Ind AS 19 - 'Employee benefits'.

<b>Amounts in Balance Sheet at Period-End</b>	<b>2021</b>	<b>2020</b>
Present Value of Unfunded Defined Benefit Obligation	4,498	1,807
Fair value of Plan Assets	-	-
	4,498	1,807
Present Value of Funded Defined Benefit Obligation	-	-
Unrecognised Asset due to Asset Ceiling	-	-
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>4,498</b>	<b>1,807</b>

<b>Amounts Recognised in Statement of Profit &amp; Loss at Period-End</b>	<b>2021</b>	<b>2020</b>
Service Cost	196	120
Net Interest Cost	126	109
Past Service Cost	-	-
Remeasurements	3,399	1,509
(Gain)/Loss due to Settlements/Curtailments/Terminations/Divestitures	-	-
Administration Expenses	-	-
<b>Total Expense/(Income) included in "Employee Benefit Expense"</b>	<b>3,721</b>	<b>1,738</b>

Note : The actuarial gains & losses are recognised, immediately, through profit & loss account.

<b>Change in Defined Benefit Obligation during the Period</b>	<b>2021</b>	<b>2020</b>
Defined Benefit Obligation, Beginning of Period	1,807	1,392
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Interest Cost on DBO	126	109
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	3,399	1,509
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture*	-	(362)
Benefits Paid	(1,030)	(961)
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
<b>Defined Benefit Obligation, End of Period</b>	<b>4,498</b>	<b>1,807</b>

<b>Change in Fair value of Plan Assets during the Period</b>	<b>2021</b>	<b>2020</b>
Fair value of Plan Assets, Beginning of Period	-	-
Interest Income on Plan Assets	-	-
Actual Company Contributions	-	-
Actual Plan Participants' Contributions	-	-
Actual Taxes Paid	-	-
Actual Administration Expenses Paid	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	-	-
Benefit Paid	-	-
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
<b>Fair value of Plan Assets, End of Period</b>	<b>-</b>	<b>-</b>



**National E-Governance Services Limited**

CIN: U72900MH2016GOI282855

**Notes to the standalone Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless as otherwise stated)

**27 Disclosures under IndAS 116**

**a. Expenses relating to short term leases or low value leases**

Particulars	2021	2020
Expenses relating to short term leases	1,790	543
Expenses relating to leases of low-value	87	174
<b>Total +</b>	<b>1,877</b>	<b>717</b>

+ The expenses relating to short term leases and leases of low-value are disclosed under Note 21 - IT data center expenses and Note 24 - Rent

**b. Maturity analysis of lease liability, disclosed under note. 13.1 and 16.1**

Particulars	2021	2020
<b>Future lease payments (undiscounted)</b>		
2020-21	-	14,232
2021-22	16,415	11,701
2022-23	13,224	11,881
2023-24	3,971	3,971
2024-25	2,382	2,383
<b>Total future lease payments (undiscounted)</b>	<b>35,992</b>	<b>44,168</b>
Total future finance costs	(2,854)	(5,133)
<b>Lease liability</b>	<b>33,138</b>	<b>39,035</b>
Short-term portion presented under current liabilities (refer note 16.1)	14,774	12,023
Long-term portion presented under non-current liabilities (refer note 13.1)	18,364	27,012

**28 Change in tariff structure and revenue recognition**

- a) The Board of the Company decided to review the tariff structure, in the board meeting held on Sep 24, 2019. Amongst others, it was decided to offer financial creditors, hosting of records for the category of individuals-secured, for 5 years (instead of 1 year earlier) for same tariff of Rs 50 per record. Similarly for the category of individuals-unsecured, the charge of Rs 25 per record would be a one-time charge. Accordingly for the financial year 2019-20, the remaining unamortised deferred revenue for individual-secured and unsecured records was recognised over the remaining unelapsed period, considering a uniform hosting period of 5 years. In the board meeting held on 24th August 2020, it is decided that fee for records under the category of individual-unsecured is for 3 years. Accordingly from the financial year 2020-21, the tenure for revenue recognition stands changed from 5 years to 3 years; remaining unamortised deferred revenue as at April 1, 2020 for individual-unsecured records is cumulatively trued up.

**Impact of change in hosting period from 5 year to 3 year for existing records of individuals-unsecured as at the start of the year.**

Particulars	Rs in thousands
Deferred revenue for individual unsecured as on April 1, 2020	81,767
Revenue which was to be recognised in FYE 2021	17,404
Revenue recognised in FYE 2021	30,543
<b>Impact in current year - revenue recognised</b>	<b>13,139</b>

- b) In the FY 2019-20 revenue from a contract is not recognized for records submitted during the last four working days of the month. W.e.f April 1, 2020, to aid simplicity and automation, a fixed date of 26th is substituted for cutoff in the previous year FY 19-20 where revenue was not recognised

**Impact of change in the cutoff:**

Particulars	Rs in thousands
Revenue to be recognised under previous cutoff	2,96,334
Revenue recognised under current cutoff	2,98,756
<b>Impact in current year - revenue recognised</b>	<b>2,422</b>



**National E-Governance Services Limited**

CIN: U72900MH2016GOI282855

**Notes to the standalone Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless as otherwise stated)

29 The carrying value and fair value of financial instruments by categories as at March 31, 2021 are as follows.

Particulars	Note	2021		2020	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
<b>Amortised cost</b>					
Investments in equity instruments of subsidiaries	6.1	75,000	75,000	60,000	60,000
Investments in government securities	6.1	74,841	74,841	-	-
Other financial assets (Bank deposits)	6.2	1,11,100	1,11,100	1,11,800	1,11,800
Trade receivables	9.2	1,99,087	1,99,087	3,38,520	3,38,520
Cash and cash equivalents	9.3.1	71,093	71,093	14,141	14,141
Other bank balances	9.3.2	7,94,330	7,94,330	5,22,700	5,22,700
Other financial assets	9.4	32,725	32,725	15,865	15,865
<b>Fair value through profit and loss (FVTPL)</b>					
Investments in mutual funds (quoted)	6.1 & 9.1	93,150	93,150	33,324	33,324
Other financial assets (Security deposits)	6.2 & 9.4	2,780	2,780	1,628	1,628
<b>Total financial assets</b>		<b>14,54,106</b>	<b>14,54,106</b>	<b>10,97,978</b>	<b>10,97,978</b>
<b>Financial liabilities</b>					
<b>Amortised cost</b>					
Lease liability	13.1 & 16.1	33,138	33,138	39,035	39,035
Trade payables	16.2	18,469	18,469	18,571	18,571
Other financial liabilities	16.3	3,759	3,759	2,112	2,112
<b>Fair value through profit and loss (FVTPL)</b>					
Other financial liabilities (Security deposits)	13.2	1,214	1,214	1,140	1,140
<b>Total financial liabilities</b>		<b>56,580</b>	<b>56,580</b>	<b>60,858</b>	<b>60,858</b>

30 **Fair value hierarchy**

This explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair values the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

All assets and liabilities for which fair value is measured or disclosed in the standalone Ind AS financial statements are categorized 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 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

30.1 **Financial assets and liability measured at fair value - recurring fair value measurement as at March 31, 2021**

Particulars	Note	Fair value measurement using			
		Total	Level 1	Level 2	Level 3
<b>Assets measured at fair value:</b>					
Investments in mutual funds (quoted)		93,150	93,150	-	-
Other financial assets (Security deposits)		2,780	-	2,780	-
<b>Liabilities measured at fair value:</b>					
Other financial liabilities (Security deposits)		1,214	-	1,214	-

30.2 **Financial assets and liability measured at fair value - recurring fair value measurement as at March 31, 2020**

Particulars	Note	Fair value measurement using			
		Total	Level 1	Level 2	Level 3
<b>Assets measured at fair value:</b>					
Investments in mutual funds (quoted)		33,324	33,324	-	-
Other financial assets (Security deposits)		1,628	-	1,628	-
<b>Liabilities measured at fair value:</b>					
Other financial liabilities (Security deposits)		1,140	-	1,140	-

30.3 **Specific valuation techniques used to value the above financial instruments include**

1) The use of quoted market prices

2) Security deposits and Deposits received are fair valued under effective interest rate method using discount rate prevalent for FDs of similar term at the time of origination of such deposits.



**National E-Governance Services Limited**

CIN: U72900MH2016GOI282855

**Notes to the standalone Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless as otherwise stated)

**30.4 Financial risks, management and maturity profile**

Financial assets are periodically reviewed for credit, liquidity and market risks. Other financial assets (non current) and other bank balances are deposits with Union Bank of India, Bank of Baroda, Canara Bank and SBI, listed public sector undertakings, and carry negligible risks except concentration risk. Maturity profile of deposits is given in table below. The banks are majority owned by Indian Government; credit and liquidity risks are assessed as negligible and do not warrant an elaborate risk management strategy for the risks ( credit, liquidity and concentration) except balance confirmations done periodically. Other financial assets (current) consists of accrued interest ( on deposits with Union Bank of India, Bank of Boroda, Canara Bank and SBI) which carry same risks as cash and cash equivalents. Investments contain investment in subsidiaries, investment in mutual fund ( Debt or liquid funds) and investment in state government securities. Investments in state government securities carry interest rate risks over their maturity term of 10 years. These are intended to be held upto their maturity and classified as held to maturity. The company reviews its investments in mutual fund and its performance periodically to guard against interest risk by reallocating such investments to other alternatives including cash.

\*Maturity profile of Fixed deposits disclosed in note 6.2 and 9.3.2

Sl no.	Maturing within	Rs in Crores
1	1 to 3 months	22.41
2	4 to 12 months	57.02
3	1 year to 2 year	11.11
	<b>Total</b>	<b>90.54</b>

**31 Capital management**

The company is subject to capital maintenance as per regulatory requirements by Insolvency and Bankruptcy Code ( IBC), to maintain minimum capital of Rs 5000 Lakhs computed as Net Worth (as defined in Companies Act, 2013), during any year. Net Worth is the total of Equity Share Capital and Other Equity as disclosed in the balance sheet. The management has assessed that the Company is currently sufficiently capitalised in terms of the Net Worth requirements during, and, as at the end of, current and previous financial year.

**32 Earning per share**

Particulars	2021	2020
Profit attributable to equity shareholders of the company	2,75,076	1,41,135
Number of shares outstanding as on the balance sheet date (units in thousands)	75,000	75,000
Weighted average number of shares purpose of EPS basic and diluted (units in thousands)	75,000	75,000
<b>Earnings per share basic and diluted (in ₹ per share)</b>	<b>3.67</b>	<b>1.88</b>

**33 Corporate social responsibility (CSR)**

The Company has made a profit of more than 5 crores in the previous year. Hence, the Company is required to spend 2% of its average net profit for the immediately preceding 3 financial years on CSR activities as per Section 135 and Schedule VII of the Companies Act as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the company has made the following expenditure in CSR activities:

Particulars	2021	2020
CSR expenditure in kind	723	-
Contribution to PM National Relief Fund	92	-
<b>Total</b>	<b>815</b>	<b>-</b>

**34 Contingent liabilities and commitments**

The Company has given a performance bank guarantee of Rs 10 Lakhs to its regulator the IBBI, for offering Insolvency Professional Module services. This was done in compliance with the terms of the RFP of IBBI in which the Company had participated and won. The Company also has commitments of Rs. 9.57 lakhs.

**35 Other notes accompanying the standalone financial statements**

- The Company is maintaining the books of account at its administrative office in Bengaluru as authorised by the Board of Directors.
- The Company has only one operating segment and monitors its performance for the business as a whole, hence segment reporting is not applicable.

As per our report of even date attached

For **Abarna & Ananthan**

Chartered accountants

Firm registration number: 000003S

Abarna Bhaskar  
Partner

Membership No: 025145

Date: 26/07/2021

Place: Bengaluru

For and on behalf of the Board of Directors of  
**National E-Governance Services Limited**

R. Gandhi  
Director  
DIN: 03341633

Vinod Shenoy M.  
Chief Financial Officer  
Date: 26/07/2021  
Place: Bengaluru

S. Sadagopan  
Director  
DIN: 00118285

Mruthunjaya Murthy  
Company Secretary



**INDEPENDENT AUDITOR'S REPORT**

**To the members of National E-Governance Services Limited**

**Report on the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **National E-Governance Services 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 March 31, 2021, 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 for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the company as at March 31, 2021 and its consolidated profit including other comprehensive loss, consolidated changes in equity and its consolidated 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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**Branch at : Chennai**

**✉ : [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)**



### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's 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 ability of the Group 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 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.



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements 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 audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, 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**

We did not audit the financial statements of both the subsidiaries whose financial statements reflect total assets of Rs.89,010 thousand as at March 31, 2021, total revenues of Rs.11,192 thousand and net cash flows amounting to Rs.16,566 thousand 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 aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion above, on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.



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**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, 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 reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



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**☎ : +91 8880097322 / +91 80 26426022 / 📠 : 2672 7430**

**Branch at : Chennai**

**✉ : [audit@abarna-ananthan.com](mailto:audit@abarna-ananthan.com)**

- h) 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:
- The Group does not have any pending litigations which would impact its financial position.
  - The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For **ABARNA & ANANTHAN**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No: 000003S



**Abarna Bhaskar**  
**Partner**  
Membership No: 025145

UDIN: 21025145AAAA BK 9379

Place: Bangalore  
Date: 26/07/2021

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## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of section 143 of the companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting of **National E-Governance Services Limited** ("the Holding Company"), its subsidiary companies, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Holding company, its subsidiary companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, 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') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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.



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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 judgement, 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, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding company and its subsidiaries.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's Internal financial controls 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 controls over financial reporting 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 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.



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**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company, and its subsidiary companies, which are companies incorporated in India, have, 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<sup>st</sup> March 2021, based on, the internal control over financial reporting criteria established by the respective companies 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.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For **ABARNA & ANANTHAN**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No: 000003S

*Aparna*



**Abarna Bhaskar**  
**Partner**

Membership No: 025145

UDIN: 21025145AAAA BK 9379

Place: Bangalore

Date: 26/07/2021

---

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**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL E-GOVERNANCE SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of consolidated financial statements of National E-Governance Services Limited for the year ended 31 March 2021 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) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on the 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 26 July 2021.

I, on behalf of Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of the National E-Governance Services Limited for the year ended 31<sup>st</sup> March 2021 under section 143(6)(a) read with section 129(4) of the Act.

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

Sd/-

(P. V. Hari Krishna)

Principal Director of Audit (Shipping), Mumbai

Place: Mumbai

Date:18.08.2021

**National E-Governance Services Limited**

CIN: U72900MH2016GOI282855

**Consolidated Balance Sheet as at March 31, 2021**

(All amounts are in INR thousands, unless as otherwise stated)

Particulars	Note	2021	2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	4	7,237	6,616
Right-of-use asset	5	29,269	36,603
Other intangible assets	4	79,563	86,163
Intangible assets under development	4	16,480	23,846
<b>Financial assets</b>			
Investments	6.1	74,841	11,845
Other financial assets	6.2	1,41,544	1,13,328
Deferred tax assets (net)	7	3,690	1,480
Other non-current assets	8	1,334	601
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	9.1	94,320	30,016
Trade receivables	9.2	1,95,723	3,37,918
Cash and cash equivalents	9.3.1	91,633	18,115
Other bank balances	9.3.2	7,99,330	5,57,800
Other financial assets	9.4	35,409	16,448
Other current assets	10	28,312	35,741
		<b>15,98,685</b>	<b>12,76,520</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	7,50,000	7,50,000
Other equity	12	3,39,986	70,051
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	13.1	20,794	29,626
Other financial liabilities	13.2	1,214	1,140
Provisions	14	8,430	4,842
Deferred tax liabilities (net)	7	4,454	6,471
Other non-current liabilities	15	1,08,150	1,22,731
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	16.1	18,318	13,592
Trade payables	16.2		
a) Total outstanding dues of micro and small enterprises		5,065	2,582
b) Total outstanding dues of creditors other than micro and small enterprises		15,826	17,134
Other financial liabilities	16.3	5,876	4,229
Other current liabilities	17	2,89,103	2,39,625
Provisions	18	31,469	14,497
		<b>15,98,685</b>	<b>12,76,520</b>

Significant accounting policies

3

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

As per our report of even date attached

For **Abarna & Ananthan**

Chartered accountants

Firm registration number: 000003S

Abarna Bhaskar  
Partner  
Membership No: 025145  
Date: 26/07/2021  
Place: Bengaluru



For and on behalf of the Board of Directors of  
**National E-Governance Services Limited**

R. Gandhi  
Director  
DIN: 03341633

Yinod Shenoy M.  
Chief Financial Officer  
Date: 26/07/2021  
Place: Bengaluru

S. Sadagopan  
Director  
DIN: 00118285

Mruthunjaya Murthy  
Company Secretary



**National E-Governance Services Limited**

CIN: U72900MH2016GOI282855

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

(All amounts are in INR thousands, unless as otherwise stated)

Particulars	Note	2021	2020
Revenue from operations	19	5,24,683	2,93,314
Other Income	20	58,981	46,461
<b>Total Revenue</b>		<b>5,83,664</b>	<b>3,39,775</b>
<b>Expenses</b>			
Cost of services	21	46,064	20,612
Employee benefit expenses	22	77,546	50,054
Finance costs	23	2,704	3,212
Depreciation and amortization expense	4 & 5	54,196	40,153
Other expenses	24	40,338	38,617
<b>Total Expenses</b>		<b>2,20,848</b>	<b>1,52,648</b>
<b>Profit/(Loss) before tax</b>		<b>3,62,816</b>	<b>1,87,127</b>
Tax expense			
Current tax		(96,374)	(21,886)
Deferred tax	7	4,114	(25,630)
<b>Profit for the year from continuing operations</b>		<b>2,70,556</b>	<b>1,39,611</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>			
Re-measurements of defined benefit plan actuarial gains/ (losses)		(449)	(1,129)
Deferred tax		113	202
<b>Total other comprehensive income for the year</b>		<b>(336)</b>	<b>(927)</b>
<b>Total comprehensive profit for the year</b>		<b>2,70,220</b>	<b>1,38,684</b>
<b>Earning per equity share of face value of Rs.10 each</b>			
Basic and Diluted (amount in ₹ per share)	33	3.61	1.86

Significant Accounting Policies

3

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

As per our report of even date attached

For **Abarna & Ananthan**

Chartered accountants

Firm registration number: 000003S

**Aparna**  
Abarna Bhaskar  
Partner

Membership No: 025145

Date: 26/07/2021

Place: Bengaluru



For and on behalf of the Board of Directors of

**National E-Governance Services Limited**

**R. Gandhi**  
Director

DIN: 03341633

**Yinod Shenoy M.**  
Chief Financial Officer  
Date: 26/07/2021

Place: Bengaluru

**S. Sadagopan**  
Director

DIN: 00118285

**Mruthunjaya Murthy**  
Company Secretary



National E-Governance Services Limited  
CIN: U72900MH2016GOI282855  
**Consolidated Cash Flow Statement for the year ended March 31, 2021**  
(All amounts are in INR thousands, unless as otherwise stated)

Particulars	Note	2021	2020
<b>Cash Flow from Operating Activities</b>			
<b>Profit/ (Loss) for the year before tax</b>		3,62,816	1,87,127
Adjustment to reconcile net profit to net cash provided by operating activities			
Depreciation		54,196	40,153
Profit from Sale of Mutual Funds		(1,033)	(1,661)
Long term gain from sale of mutual funds		-	(652)
Profit on fair value restatement of mutual funds		(935)	(268)
Interest Income		(55,064)	(40,089)
Interest income from government securities		(1,080)	-
Finance costs - Leases (IndAS 116)		2,630	3,142
Assets written off		-	663
(Profit)/loss on sale of assets		11	(81)
(Gain)/loss on lease modification (IndAS 116)		739	(955)
Change in Assets & Liabilities			
Trade Payables		6,262	(12,750)
Other financial liabilities current/non-current		1,721	2,146
Other current/non-current Liabilities		34,898	2,94,308
Provisions current/non-current		19,484	2,873
Trade Receivables		1,42,195	(2,67,085)
Other financial assets current/non-current		(7,035)	(1,439)
Other current assets current/non-current		(4,070)	6,466
Cash generated from operations		<u>5,55,735</u>	<u>2,11,898</u>
Income Taxes paid		(79,183)	(31,567)
<b>Net cash generated by operating activity</b>		<u>4,76,552</u>	<u>1,80,331</u>
<b>Cash flow from investing activities</b>			
Expenditure on property plant and equipment		(3,278)	(1,919)
Expenditure on intangible assets		(35,861)	(53,851)
Proceeds from sale of assets		32	520
Investment in fixed deposits (net of redemption)		(2,69,930)	(1,40,476)
Interest received on investments		43,324	29,179
Payment to acquire liquid mutual funds		(1,91,594)	(2,09,855)
Proceeds from redemption of mutual funds		1,41,101	1,93,839
Investment in government securities		(74,841)	-
Interest received on government securities		1,080	-
<b>Net cash used in investing activities</b>		<u>(3,89,967)</u>	<u>(1,82,563)</u>
<b>Cash flow from financing activities</b>			
Repayment of Lease liability on Right of Use assets - IndAS 116		(10,330)	(9,552)
Interest paid Lease liability on Right of Use assets - IndAS 116		(2,452)	(2,980)
Share issue expenses		(285)	(190)
<b>Net Cash generated in financing activities</b>		<u>(13,067)</u>	<u>(12,722)</u>
Net increase in cash or cash equivalents		73,518	(14,954)
Cash and cash equivalent at the beginning		18,115	33,069
<b>Cash and Cash Equivalent at the close</b>		<u>91,633</u>	<u>18,115</u>
<b>Components of cash and cash equivalents</b>	9.3.1		
Cash in hand		-	21
Balances with banks			
Current accounts		20,434	11,651
Fixed deposits		71,199	6,443
<b>Total cash and cash equivalents</b>		<u>91,633</u>	<u>18,115</u>

As per our report of even date attached  
For **Abarna & Ananthan**  
Chartered accountants  
Firm registration number: 000003S

Abarna Bhaskar  
Partner  
Membership No: 025145  
Date: 26/07/2021  
Place: Bengaluru



For and on behalf of the Board of Directors of  
**National E-Governance Services Limited**

R. Gandhi  
Director  
DIN: 03341636

Vinod Shenoy M.  
Chief Financial Officer  
Date: 26/07/2021  
Place: Bengaluru

S. Sadagopan  
Director  
DIN: 00118285

Mruthunjaya Murthy  
Company Secretary



**National E-Governance Services Limited**

CIN: U72900MH2016GOI282855

**Consolidated Statement of Changes in Equity for the year ended March 31, 2021**

(All amounts are in INR thousands, unless as otherwise stated)

**a) Equity share capital**

**Equity shares of Rs 10 each issued, subscribed and fully paid**

Particulars	2021		2020	
	Nos. (,000)	Amount	Nos. (,000)	Amount
At the beginning of the year	75,000	7,50,000	75,000	7,50,000
Changes during the year	-	-	-	-
<b>At the end of the year</b>	<b>75,000</b>	<b>7,50,000</b>	<b>75,000</b>	<b>7,50,000</b>

Refer note 10, for equity shareholders holding of 5% or more

**b) Other equity**

Particulars	Retained earnings	Total
Balance as at April 1, 2019	(65,423)	(65,423)
Share issue expenses net of taxes	(190)	(190)
Profit for the year	1,39,611	1,39,611
Other comprehensive income not reclassifiable to profit and loss	(927)	(927)
Transition impact of Ind AS 116	(3,020)	(3,020)
<b>Balance as at March 31, 2020</b> (Refer Note 12)	<b>70,051</b>	<b>70,051</b>
Balance as at April 1, 2020	70,051	70,051
Share issue expenses net of taxes	(285)	(285)
Profit for the year	2,70,556	2,70,556
Other comprehensive income not reclassifiable to profit and loss	(336)	(336)
<b>Balance as at March 31, 2021</b> (Refer Note 12)	<b>3,39,986</b>	<b>3,39,986</b>

As per our report of even date attached

For **Abarna & Ananthan**

Chartered accountants

Firm registration number: 000003S

Abarna Bhaskar  
Partner  
Membership No: 025145  
Date: 26/07/2021  
Place: Bengaluru



For and on behalf of the Board of Directors of  
**National E-Governance Services Limited**

R. Gandhi  
Director  
DIN: 03341633

Vinod Shenoy M  
Chief Financial Officer  
Date: 26/07/2021  
Place: Bengaluru

S. Sadagopan  
Director  
DIN: 00118285

Mruthunjaya Murthy  
Company Secretary



## National E-Governance Services Limited

CIN: U72900MH2016GOI282855

### Notes to the consolidated Ind AS financial statements for the year ended March 31, 2021

(All amounts are in INR thousands, unless as otherwise stated)

#### Group overview and significant accounting policies

##### 1. Corporate information

National E-Governance Services Limited ('Company', 'NeSL') was incorporated on 24th June, 2016. The Company has its registered office in Mumbai and its administrative office in Bengaluru. The main object of the Company is to perform the role of Information Utility under the Insolvency and Bankruptcy Code, 2016. During the year ended 2018, the Company incorporated two subsidiaries:

Name	Date of incorporation	Holding %
NESL Asset Data Limited ('NaDL')	08/09/2017	100
NESL E-Infrastructure Limited ('NEiL')	18/12/2017	100

The Company together with its subsidiaries is collectively referred as 'Group' in these consolidated financial statements. The consolidated financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on July 26, 2021.

##### 2. Basis for preparation and presentation

###### Statement of Compliance

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies Act 2013 ('Act'). The Ind AS is prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules, 2016 as amended subsequently by applicable amendment rules as amended from time to time upto 2021.

Accounting policies have been consistently applied 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.

###### Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost convention except for:

- certain financial instruments that are measured at fair values at the end of each reporting period under Ind AS, as suitably described in the accounting policies
- certain arrangements which, are treated as being leases under Ind AS 116 Leases and are capitalized as Right of Use assets, at fair value of estimated cash flows towards such rights over estimated lease term.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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



**National E-Governance Services Limited**

CIN: U72900MH2016GOI282855

**Notes to the consolidated Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless as otherwise stated)

minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized 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 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. This note summarizes accounting policy for fair value and the other fair value related disclosures are given in the relevant notes.

Previous year's figures, where necessary have been regrouped, recast and reclassified suitably to correspond with those of current year's figures. All amounts stated in the consolidated financial statements and notes to accounts have been rounded off to the nearest thousands as per the requirement of Schedule III Division 2, unless otherwise stated.

**2.1. Basis of consolidation**

The consolidated financials include financial statements of National E-Governance Services Limited and its two subsidiaries (Refer Note 1). The consolidated financial statements of the Group incorporate the assets, liabilities, equity, income, expenses and cash flows of the Company and its two subsidiaries which are wholly owned. The Company has control of the subsidiaries as it has the rights to variable returns from its involvement and has the ability to affect those returns through its power over the subsidiaries.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation procedures principally followed are: (a) Like items of assets, liabilities, equity, income, expenses and cash flows of the Company and those of its subsidiaries are combined on a line by line basis; (b) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated; and (c) intra group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between entities of the Group are eliminated in full.

**3. Summary of significant accounting policies**

**(a) Revenue recognition**

Revenue is measured at fair value of consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes, duties collected on behalf of the government.

The following specific recognition criteria must also be met before revenue is recognized:

*Information Utility income*

The Company provides information utility services to its clients. The services include receiving of data/documents related to loans/advances submitted by financial creditors, operational creditors, operational debtors and other participants such as resolution professionals. Revenue from information utility services from financial creditor is recognized as the services are performed over time on a monthly basis. Revenue from a contract is not recognized for the month if the information is submitted by the clients after 26th of such month. In 2021, a cutoff of 26th of such month is used instead of earlier



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convention of not recognizing revenue for last four working days of the month. The uniform cutoff of 26th is adopted for 2021 to aid/facilitate automations in revenue recognition process.

Revenue from information utility services for submissions from Operational Creditor and other participants are recognized on submission/ upload of information into the Information Utility system.

*Income from E-Sign services*

Revenue is recognized when E-sign counts are accepted by the customer.

*Income from Platform for Distressed Asset (PDA), case management services and auction services*

Revenue from PDA services and case management services are offered to the customer on subscription basis. These are recognized over the tenure of such subscription, on a time-proportionate basis. Revenue from auction services are recognized on availment of auction services (specific event) by the customer. In 2021 there are no auction services billed or availed the customer.

*KYC services*

NEiL provides KYC services. For OKYC services, revenue on installation (of the software), as outlined in the customer contract or order, is recognized on completion of installation platform at the customer's end.

For CKYC and OKYC services, revenue is recognized when the provision of service is accepted and the certificate/confirmation for completion of service is issued by the customer which is a significant event to recognize revenue.

*Account aggregator service income*

NaDL will provide Account Aggregator service to its customers. The account aggregator service includes, onboarding of customers, consent registrations, data requests, revocation of consents and other such activities. Revenue from account aggregator service is recognized, on a time proportionate basis, as the related services are performed over time on a monthly basis.

*Interest income*

Interest income is recognized, on a time proportionate basis with respect to principal balance outstanding using effective interest rate method.

**(b) Functional currency**

The consolidated financial statements are presented in INR, which is also the Groups functional currency. Transactions in foreign currencies, if any, are initially recorded by the Group at their respective functional currency spot rates at the date; the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income ("OCI") or statement of profit and loss are also recognized



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in OCI or statement of profit and loss, respectively).

**(c) Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax related to items recognised outside statement of profit and loss is recognised either in OCI or in equity in correlation to the underlying transaction. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences, except:

- when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

**(d) Property, plant and equipment, depreciation and amortisation**

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of profit and loss.



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When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in statement of profit and loss as incurred. An individual item of property, plant and equipment with value less than Rs 5,000/- is not recognized for capitalization and is written off in the statement of profit and loss.

Depreciation is calculated on a straight-line basis over the useful lives of the assets, as specified in Schedule II to the Companies Act, 2013, except vehicles, as follows:

<u>Category</u>	<u>Useful life (years)</u>	<u>Life as per Schedule II</u>
Furniture and fixtures	10	10
Computers and accessories	3	3
Server	6	6
Office equipment	5	5
Vehicles	6	8

Vehicles consisting of Company car, is depreciated over useful life of 6 years, instead of 8 years prescribed under Companies Act, 2013. Due to faster technology obsolescence, constantly evolving emission standards and maintenance costs, it is considered prudent by the management to replace cars earlier than the prescribed 8 years under Schedule II, Companies Act, 2013.

Leasehold improvements are amortized on a straight-line basis over the unexpired period of lease or five years whichever is less.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The value of the residual value is limited to 5% of the original cost of Property, Plant and Equipment as per the requirement of Schedule II to the Companies Act, 2013.

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

**(e) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The amortization expense on intangible assets is recognized in the statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The cost of Information utility software is capitalized and amortized on a straight-line basis over the useful life of five years, as estimated by the management. Additional software development costs of modules are amortised over balance future useful life of Information utility software. Information utility software is an in-house software being developed, over various modules, by the Group.

The registration/license fee, paid to the Insolvency and Bankruptcy Board of India, is amortised over the term of validity of registration (5 years).

The cost of computer software is capitalized and amortized on a straight-line basis over the useful life of five years, as estimated by the management.

**(f) Borrowing costs**

Borrowing costs include:



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- (i) Interest expense calculated using the effective interest rate method,
- (ii) Finance charges in respect of finance leases, and
- (iii) Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit and loss in the period in which they are incurred.

**(g) Leases**

The arrangements, including contracts, are evaluated if they are a lease or have a lease component. This determination is made at the inception of the contract. In case of arrangement having lease and non-lease components, these are separately accounted. Leases identified are accounted individually as separate leases.

Arrangements whose fulfilment depend on a specific asset which is identified under the arrangement to fulfil obligations, either expressly or in substance and the Group has substantive right to use such specific asset over a period of time under arrangement, and to obtain substantially all economic benefits over such period of time constitute leases. Lease term includes non-cancellable period under arrangement and period during which the Group is reasonably certain to use such identified assets. Such Lease arrangements identified are recorded as 'Right of Use' assets along with a lease liability by discounting the future cash flows under the lease arrangement, using implicit rate or incremental borrowing rate applicable for the lease term. 'Right of Use' assets are depreciated over the lease term and interest expense on lease liability is recorded under other finance costs.

Lease modification(s) are evaluated to ascertain, whether the modification is a separate lease. The amount of the re-measurement of lease liability due to modification is recognised as an adjustment to the 'Right of Use' asset and Statement of Profit and Loss, depending on the nature of modification.

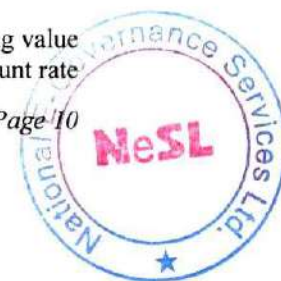
The Application of IND AS 116 – Leases has not been elected for arrangements which contain short term lease that have a lease term of upto 12 months and leases for which the underlying asset is of low value. The lease payments associated with the abovesaid arrangements are recognised as an expense.

**(h) Impairment of non-financial assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate



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that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the statement of profit and loss.

The Group reviews its Property, Plant and Equipment and Intangible Assets annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**(i) Provisions**

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(j) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes changes in the net defined benefit obligation which includes service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and net interest expense or income, as an expense in the statement of profit and loss.

*Paid compensated absences*

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The cost incurred towards paid compensated absences, including the gain or loss on such actuarial valuation, is recognized in the statement of profit and loss.



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**(k) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

*Initial recognition and measurement*

All financial assets, other than financial assets fair valued through profit and loss account, are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs that are attributable to the acquisition of the financial asset fair valued through profit and loss account are expensed as incurred.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in below categories:

- Financial asset at amortized cost
- Financial asset at fair value through other comprehensive income (FVTOCI)
- Financial asset at fair value through statement of profit and loss (FVTPL)

A financial asset is measured at the amortized cost, if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method. This category generally applies to trade and other receivables.

A financial asset is classified as FVTOCI, if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- (ii) The asset's contractual cash flows represent SPPI.

Financial asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI.

FVTPL is a residual category for financial asset. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Financial asset included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

*Investment in subsidiaries*

Investments in subsidiaries are carried at cost less accumulated impairment loss, if any. In the event of any indication of impairment, the carrying amount of investment is evaluated and an impairment provision is recognised if considered necessary immediately to its recoverable amount.

*De-recognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the balance sheet) when:



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- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in Statement of profit and loss if such gain or loss would have otherwise been recognized in Statement of profit and loss on disposal of that financial asset.

*Impairment of financial assets*

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract work-in-progress. The application of simplified approach does not require the Group to track changes in credit risk; rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The Group uses a provision matrix based on age to determine impairment loss allowance on portfolio of its trade receivables and contract work-in-progress. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

**Financial liabilities**

*Initial recognition and measurement*

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include lease liabilities, trade and other payables.

*Subsequent measurement*

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through statement of profit and loss. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The amortization is included as finance costs in the statement of profit and loss.



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*De-recognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**Equity Instrument**

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognized by the Group are recognized at the proceeds received net off direct issue cost.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

**(l) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(m) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

**(n) Earnings per share**

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**(o) Significant accounting judgments, estimates and assumptions**

In the application of the Group's accounting policies, which are described in this note, the Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future





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Non - current assets

4 Property Plant and Equipment, Other intangible assets and Intangible assets under development

Description	Cost			Depreciation/amortisation		Carrying amount				
	As on 01-04-2020	Additions	Deletion	As on 31-03-2021	As on 01-04-2020	For the Year	Withdrawals	Upto 31-03-2021	WDV as on 31-03-2021	WDV as on 31-03-2020
<b>Tangible assets</b>										
Vehicles	1,108	-	-	1,108	410	175	-	585	523	698
Computers	5,638	3,529	-	9,167	3,153	1,614	-	4,767	4,400	2,485
Servers and networks	2,044	-	-	2,044	768	324	-	1,092	952	1,276
Furniture and fittings	204	-	-	204	37	19	-	56	148	167
Leasehold premises improvements - Mumbai	2,442	-	-	2,442	1,899	420	-	2,319	123	543
Leasehold premises improvements - Bangalore	96	-	-	96	6	18	-	24	72	90
Office Equipments	2,398	162	130	2,430	1,041	457	87	1,411	1,019	1,357
<b>Total</b>	<b>13,930</b>	<b>3,691</b>	<b>130</b>	<b>17,491</b>	<b>7,314</b>	<b>3,027</b>	<b>87</b>	<b>10,254</b>	<b>7,237</b>	<b>6,616</b>
<i>Previous year comparatives (FYE 2020)</i>	<i>13,669</i>	<i>1,986</i>	<i>1,725</i>	<i>13,930</i>	<i>4,626</i>	<i>3,310</i>	<i>622</i>	<i>7,314</i>	<i>6,616</i>	
<b>Other intangible assets</b>										
IU software	1,21,723	29,802	-	1,51,525	39,037	36,890	-	75,927	75,598	82,686
IU License fees	5,000	-	-	5,000	2,518	1,000	-	3,518	1,482	2,482
Other software	1,930	2,127	-	4,057	935	639	-	1,574	2,483	995
<b>Total</b>	<b>1,28,653</b>	<b>31,929</b>	<b>-</b>	<b>1,60,582</b>	<b>42,490</b>	<b>38,529</b>	<b>-</b>	<b>81,019</b>	<b>79,563</b>	<b>86,163</b>
<i>Previous year comparatives (FYE 2020)</i>	<i>94,707</i>	<i>33,946</i>	<i>-</i>	<i>1,28,653</i>	<i>17,277</i>	<i>25,213</i>	<i>-</i>	<i>42,490</i>	<i>86,163</i>	
<b>Intangible assets under development</b>										
IU software under development	9,500	9,995	19,495	-	-	-	-	-	-	9,500
AA software under development	14,346	2,134	-	16,480	-	-	-	-	16,480	14,346
<b>Total</b>	<b>23,846</b>	<b>12,129</b>	<b>19,495</b>	<b>16,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,480</b>	<b>23,846</b>
<i>Previous year comparatives (FYE 2020)</i>	<i>11,199</i>	<i>29,726</i>	<i>17,079</i>	<i>23,846</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>23,846</i>	
<b>5 Right of use asset</b>										
<b>Description</b>		<b>Cost</b>	<b>Deletion</b>	<b>As on 31-03-2021</b>	<b>As on 01-04-2020</b>	<b>For the Year</b>	<b>Withdrawals</b>	<b>Upto 31-03-2021</b>	<b>WDV as on 31-03-2021</b>	<b>WDV as on 31-03-2020</b>
Leasehold property - Gresham house, Mumbai	1,543	-	-	1,543	1,029	514	-	1,543	-	514
Leasehold property - The Estate, Bangalore	15,388	-	-	15,388	1,282	3,078	-	4,360	11,028	14,106
Servers- virtual machines	22,605	5,307	-	27,912	7,050	6,780	-	13,830	14,082	15,555
Servers - storage space	8,697	-	-	8,697	2,269	2,269	-	4,538	4,159	6,428
<b>Total</b>	<b>48,233</b>	<b>5,307</b>	<b>-</b>	<b>53,540</b>	<b>11,630</b>	<b>12,641</b>	<b>-</b>	<b>24,271</b>	<b>29,269</b>	<b>36,603</b>
<i>Previous year comparatives (FYE 2020)</i>	<i>45,341</i>	<i>19,025</i>	<i>16,133</i>	<i>48,233</i>	<i>-</i>	<i>11,630</i>	<i>-</i>	<i>11,630</i>	<i>36,603</i>	



Non-current assets

6 Financial assets

6.1 Investments

Particulars	2021	2020
<b>Non current investments:</b>		
<b>Investments in mutual funds (quoted)</b>		
Investment in SBI Debt Fund Series C-7 (1190 days) Direct Growth 10,00,000 units (PY: 10,00,000) at market price (NAV).	-	11,845
	-	11,845
<b>Investments in government securities at amortised cost</b>		
Investment in IN1920200434 Karnataka SDL 2030	5,872	-
Investment in IN1920200459 Karnataka SDL 2030	19,213	-
Investment in IN3120200222 Tamil Nadu SDL 2030	23,558	-
Investment in IN3120200347 Tamil Nadu SDL 2031	6,305	-
Investment in IN3120200362 Tamil Nadu SDL 2030	19,893	-
	74,841	-
	74,841	11,845

Note:

- Mutual funds are carried at fair value based on the quoted market price (NAV) of the funds as on balance sheet date.
- Government securities are classified as held to maturity investments and carried at amortised cost.

6.2 Other financial assets

Particulars	2021	2020
Security deposit - non current refundable	1,344	1,528
Bank deposits with maturity more than 12 months from balance sheet date	1,40,200	1,11,800
	1,41,544	1,13,328

Note: Security deposits are fair valued under effective interest rate method using discount rate prevalent for FDs of similar term at the time of origination of such security deposits.

7 Deferred tax asset/(liability)

Particulars	Balance as at 2020	Recognised/ (reversed) during the year in statement of Profit and Loss	Recognised/ (reversed) during the year in OCI	Recognised/ (reversed) during the year in Equity	Balance as at 2021
<b>NeSL</b>					
Depreciation	(7,280)	1,566	-	-	(5,714)
Preliminary expenses u/s 35D	212	(212)	-	-	-
Expenses under sec 40A (7) of the Income Tax Act, 1961- Provision for gratuity	643	110	127	-	880
Expenses disallowed under sec 40 (a) (ia) of the Income Tax Act, 1961 for non-deduction of TDS	-	-	-	-	-
Expenses under sec 43B of the Income Tax Act, 1961- Provision for leave encashment	455	677	-	-	1,132
On account of fair value adjustments under Ind AS	(501)	(251)	-	-	(752)
Deferred tax asset for carried forward tax loss	-	-	-	-	-
	(6,471)	1,890	127	-	(4,454)
<b>NaDL</b>					
Depreciation	(16)	(5)	-	-	(21)
Preliminary expenses u/s 35D	49	(25)	-	-	24
Expenses under sec 40A (7) of the Income Tax Act, 1961- Provision for gratuity	92	73	(14)	-	151
Expenses under sec 43B of the Income Tax Act, 1961- Provision for leave encashment	64	96	-	-	160
On account of fair value adjustments under Ind AS	(31)	16	-	-	(15)
Deferred tax asset for carried forward tax loss*	1,315	2,075	-	-	3,390
	1,473	2,230	(14)	-	3,689
<b>NEIL</b>					
Depreciation	-	(4)	-	-	(4)
Preliminary expenses u/s 35D	7	(3)	-	-	4
Expenses under sec 40A (7) of the Income Tax Act, 1961- Provision for gratuity	-	0	-	-	0
Expenses under sec 43B of the Income Tax Act, 1961- Provision for leave encashment	-	1	-	-	1
	7	(6)	-	-	1

\*Management perceives that probable future tax profits would accrue to set off the tax loss being carried forward under the Income Tax Act 1961. The regular tax rates under Income Tax Act, 1961, applicable for the FY 20-21 based on taxable income are: NeSL - 29.12%, NaDL - 26%, NEIL - 26%. The Group has opted for tax rates as under: NeSL: Special tax rate opted is 25.168% allowed under Section 115 BAA, NaDL: Regular applicable tax rate 26%, NEIL: Regular applicable tax rate 26%.



Deferred tax asset/(liability)					
Particulars	Balance as at 2020	Recognised/ (reversed) during the year in statement of Profit and Loss	Recognised/ (reversed) during the year in OCI	Recognised/ (reversed) during the year in Equity	Balance as at 2021
NeSL	(6,471)	1,890	127	-	(4,454)
NaDL	1,473	2,230	(14)	-	3,689
NEiL	7	(6)	-	-	1
<b>Total</b>	<b>(4,991)</b>	<b>4,114</b>	<b>113</b>	<b>-</b>	<b>(764)</b>

Deferred tax assets of NaDL and NEiL are disclosed together; whereas deferred tax liability of NeSL is disclosed separately as these are separate taxable entities.

**8 Other non-current assets**

Particulars	2021	2020
Prepaid expenses - non current	1,313	580
Security deposit - non current non refundable	21	21
<b>Total</b>	<b>1,334</b>	<b>601</b>

**Current assets**

**9 Financial assets**

**9.1 Investments**

Particulars	2021	2020
<b>Current investments:</b>		
<b>Investments in mutual funds (quoted)</b>		
Investment in LD72SG SBI Liquid Fund Direct Growth 25,364.892 units (PY: 9671.086 units) at market price (NAV).	81,716	30,016
Investment in SBI Debt Fund Series C-7 (1190 days) Direct Growth 10,00,000 units (PY: Nil) at market price (NAV).	12,604	-
<b>Total</b>	<b>94,320</b>	<b>30,016</b>

Note: Mutual funds are carried at fair value base on the quoted market price (NAV) of the funds as on balance sheet date.

**9.2 Trade receivables**

Particulars	2021	2020
(a) Trade Receivables considered good - Secured;	-	-
(b) Trade Receivables considered good - Unsecured;		
Receivable from related parties	-	-
Receivable from others	1,95,723	3,37,918
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables - credit impaired	-	-
<b>Total</b>	<b>1,95,723</b>	<b>3,37,918</b>

**9.3.1 Cash and cash equivalents**

Particulars	2021	2020
Cash in hand	-	21
<b>Balance with banks (of the nature of cash and cash equivalents)</b>		
In current account	20,434	11,651
In deposit account with original maturity within 3 months from the date of deposit	71,142	6,437
Income accrued but not due on fixed deposits (Cash and Cash equivalent)	57	6
<b>Total</b>	<b>91,633</b>	<b>18,115</b>

**9.3.2 Other bank balances**

Particulars	2021	2020
In deposit account with maturity within 12 months of balance sheet date*	7,99,330	5,57,800
<b>Total</b>	<b>7,99,330</b>	<b>5,57,800</b>

Note: Fixed deposits with original maturity period less than 3 months are classified as "Cash and cash equivalents" and fixed deposit with original maturity period more than 3 months but maturing within 12 months from the balance sheet date are classified as "Other bank balances".

\* This includes an amount of Rs 11 lakh in fixed deposit, offered as security/lien for the purpose of performance bank guarantee (refer note 35).

**9.4 Other financial assets**

Particulars	2021	2020
Advances recoverable	-	-
Security deposits - current refundable	1,722	385
Unbilled revenue - FC creditors	3,919	-
Unbilled revenue - CKYC service	1,934	202
Unbilled revenue - Others	145	-
Income accrued but not due on Government securities	87	-
Income accrued but not due on fixed deposits	27,602	15,861
<b>Total</b>	<b>35,409</b>	<b>16,448</b>

**10 Other current assets**

Particulars	2021	2020
Income tax- TDS	15,982	26,747
GST input credit	6,916	6,022
GST recoverable	1,217	-
Prepaid expenses	2,507	2,818
Other advances	1,690	154
<b>Total</b>	<b>28,312</b>	<b>35,741</b>



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**Equity**

**11 Share capital**

Particulars	2021	2020
<b>Authorised share capital</b>		
10,00,00,000 (previous year: 10,00,00,000) Number of Equity shares of Rs. 10/- each.	10,00,000	10,00,000
	<b>10,00,000</b>	<b>10,00,000</b>
<b>Issued, subscribed and fully paid-up share capital</b>		
7,50,00,000 (previous year: 7,50,00,000) equity shares of Rs 10 each	7,50,000	7,50,000
	<b>7,50,000</b>	<b>7,50,000</b>

**Reconciliation of equity shares outstanding and the amount of share capital is set out below:**

Particulars	2021		2020	
	Number of shares (000)	Amount	Number of shares (000)	Amount
Number of shares at the beginning of the year	75,000	7,50,000	75,000	7,50,000
Shares issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>75,000</b>	<b>7,50,000</b>	<b>75,000</b>	<b>7,50,000</b>

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.

**Particulars of equity shareholders holding more than 5 percent of equity shares:**

Name of the shareholder	2021		2020	
	Number of shares (000)	Percentage holding	Number of shares (000)	Percentage holding
Life Insurance Corporation	4,500	6.00%	4,500	6.00%
State Bank of India	7,500	10.00%	7,500	10.00%
Canara Bank	7,500	10.00%	7,500	10.00%
Bank of Baroda (Merged entity)	10,500	14.00%	10,500	14.00%
ICICI Bank	7,425	9.90%	7,425	9.90%
Axis Bank Ltd.	7,125	9.50%	7,125	9.50%
Karnataka Bank Ltd.	4,500	6.00%	4,500	6.00%

**Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

The Company has not bought back any shares during the period from the date of inception to March 31, 2021. Further, the Company has not issued any bonus shares or issued shares for consideration other than cash during the year and period from the date of inception to March 31, 2021.



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<b>12 Other equity</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Retained earnings		
Opening balance		
Share issue expenses net of taxes	70,051	(65,423)
Add: Profit/(Loss) for the year	(285)	(190)
Add: Other comprehensive income	2,70,556	1,39,611
Transition impact of Ind AS 116	(336)	(927)
<b>Total</b>	<b>3,39,986</b>	<b>70,051</b>
<b>Non - current liabilities</b>		
<b>13 Financial liabilities</b>		
<b>13.1 Lease liabilities</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Lease liability	20,794	29,626
<b>Total</b>	<b>20,794</b>	<b>29,626</b>
<b>13.2 Other financial liabilities</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Deposits received	1,214	1,140
<b>Total</b>	<b>1,214</b>	<b>1,140</b>
Note: Deposits received are fair valued under effective interest rate method using discount rate prevalent for FDs of similar term at the time of origination of such deposits.		
<b>14 Provisions (non-current)</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Provision for gratuity - non current	4,036	2,895
Provision for leave encashment - non current	4,394	1,947
<b>Total</b>	<b>8,430</b>	<b>4,842</b>
<b>15 Other non-current liabilities</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Deferred income - Financial creditors (non current) (Refer note 28)	1,08,150	1,22,731
<b>Total</b>	<b>1,08,150</b>	<b>1,22,731</b>
<b>Current liabilities</b>		
<b>16 Financial liabilities</b>		
<b>16.1 Lease liabilities</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Lease liability - current	18,318	13,592
<b>Total</b>	<b>18,318</b>	<b>13,592</b>
<b>16.2 Trade payables</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Total outstanding dues of micro enterprises and small enterprises	5,065	2,582
Total outstanding dues of creditors other than Micro and small enterprises		
Related Parties		
Others		
Creditors for supplies & services	15,268	16,050
Creditors for expenses	558	1,084
<b>Total</b>	<b>20,891</b>	<b>19,716</b>
Note: Payments due to parties who are registered as micro and small enterprises under the "The Micro, Small and Medium Enterprises Act, 2006" were made within stipulated time under that Act.		
<b>16.3 Other financial liabilities</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
RFP deposit received	1,791	1,791
Other returnable deposits	326	2,326
Advances returnable	3,759	112
<b>Total</b>	<b>5,876</b>	<b>4,229</b>
<b>17 Other current liabilities</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Statutory Liabilities		
Deferred income - Financial creditors	16,581	36,703
Deferred revenue - OKYC installation fees	2,67,437	1,99,376
Deferred income - Ind AS fair value adjustment	1,883	1,682
Deferred income - Others	149	223
Advance received from customers * non returnable	1,230	-
Honorarium payable	1,823	1,638
<b>Total</b>	<b>2,89,103</b>	<b>2,39,625</b>
<b>18 Provisions (current)</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Provision for expenses	24,280	14,380
Provision for taxation (net)	6,426	-
Provision for gratuity - current	39	11
Provision for leave encashment - current	724	106
<b>Total</b>	<b>31,469</b>	<b>14,497</b>

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**19 Revenue from operations**

Particulars	2021	2020
IU fee- Financial creditors*	5,13,636	2,88,506
IU fee- Operational creditors	182	284
Other operational revenue	2,008	-
Central Know Your Customer Services income (CKYC)*	847	815
Offline Know Your Customer services income (OKYC):		
One Time Installation Setup Fee*	2,179	3,330
OKYC services*	5,831	379
<b>Total</b>	<b>5,24,683</b>	<b>2,93,314</b>

\*Refer table below, revenue recognised for the year

**Summary of billing and revenue recognised**

	Financial creditors		CKYC and OKYC	
	2021	2020	2021	2020
Opening balance: Deferred revenue and Unbilled revenue	3,22,107	60,793	1,481	(264)
Total billing for financial creditors for the year	5,63,197	5,49,820	9,651	7,223
(-) Deferred revenue (disclosed in note 15 & 17)	(3,75,587)	(3,22,107)	(1,883)	(1,682)
(+) Unbilled revenue (disclosed in note 9.4)	3,919	-	1,934	202
(-) Revenue share payable	-	-	(2,326)	(955)
<b>Revenue recognised for the year</b>	<b>5,13,636</b>	<b>2,88,506</b>	<b>8,857</b>	<b>4,524</b>

**20 Other income**

Particulars	2021	2020
Interest on fixed deposits	55,064	40,089
Fees for sponsorship services	-	1,850
Interest on security deposits	92	51
Interest on government securities	1,080	-
Interest on IT refund	1,040	281
Profit on sale of motor car	-	81
Gain on redemption of mutual funds- current investments	-	1,661
Long term gain on redemption of mutual funds	1,033	652
Gain on restatement of mutual funds at fair value	-	268
Gain/(loss) on lease modification	935	955
Miscellaneous income	(739)	573
<b>Total</b>	<b>58,981</b>	<b>46,461</b>

**21 Cost of services**

Particulars	2021	2020
IU annual fee	5,000	-
IU technology expenses		
IT contract manpower - Production support and monitoring expenses	2,458	5,268
IT data center expenses+	4,610	2,641
Datawarehouse expenses	5,222	-
Other IT expenses	7,024	3,085
CIRP and VDR expenses	10,459	-
IU operational expenses	6,629	6,104
Offsite data entry & cropping work	281	63
Subscription charges for trackwizz CKYC	287	72
IT Consulting Expenses	1,023	-
Other operating expenses	3,071	3,379
<b>Total</b>	<b>46,064</b>	<b>20,612</b>

+ This consists of short term leases of Rs. 576 (PY: Rs. 49) (Rs. in thousands) and leases of low-value of Rs. Nil (PY: Rs. 51) (Rs. in thousands) as disclosed under Note - 27 (a)

**22 Employee benefit expenses**

Particulars	2021	2020
Salary & Allowances	65,854	42,546
Contribution to Provident Fund & Superannuation Fund	3,082	1,884
Gratuity expense	720	783
Leave encashment and compensated leave benefits	4,227	1,702
Staff Welfare Expenses	3,663	3,139
<b>Total</b>	<b>77,546</b>	<b>50,054</b>

**23 Finance costs**

Particulars	2021	2020
Interest expense on lease liabilities	2,630	3,142
Interest expense on security deposit received	74	70
<b>Total</b>	<b>2,704</b>	<b>3,212</b>

**24 Other expenses**

Particulars	2021	2020
Rent (Refer note 27)+	1,293	651
Repairs and maintenance	1,037	752
Subscription, rates and taxes	2,873	935
Professional charges	17,077	8,275
Legal fees	2,229	1,600
Communication expenses	1,712	1,233
Advertisement and business promotion	3,342	5,191
Auditors' remuneration		
- Statutory audit	400	300
- Tax audit	100	100
- Out of pocket expenses	15	6
Secretarial audit	100	150
Internal audit	1,300	1,310
Travelling, boarding and conveyance	548	8,172
Insurance expenses	809	237
Directors' sitting fees	2,750	1,350
Assets written off	-	663
CSR expenses*		
- CSR expenditure in kind	723	-
- Contribution to PM National Relief Fund	92	-
Donations - contribution to PM cares fund	-	2,100
Other miscellaneous/administrative expenses+	3,938	5,592
<b>Total</b>	<b>40,338</b>	<b>38,617</b>

+ This consists of short term leases of Rs. 1,214 (PY: Rs. 494) (Rs. in thousands) and leases of low-value of Rs. 97 (PY: Rs. 141) (Rs. in thousands) as disclosed under Note - 27 (a)

\*Refer note - 34 Corporate social responsibility (CSR)



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**25 Related party disclosures**

Names of related parties where control exists irrespective of whether transactions have occurred or not:

Subsidiaries : NESL Asset Data Limited  
NESL E-Infrastructure Limited

Key management personnel : Mr. S. Ramann, Managing Director (till April 19, 2021)  
Mr. Vinod Shenoy M, Chief Financial Officer  
Mr. M. Murthy, Company Secretary

Details of transactions entered into with related parties along with balances as at year end are as given below:

Particulars	Key management		Total	
	2021	2020	2021	2020
<b>A. Transactions during the year</b>				
<b>Remuneration*</b>				
Mr. S. Ramann	5,568	4,816	5,568	4,816
Mr. Vinod Shenoy M.	4,603	4,017	4,603	4,017
Mr. M. Murthy	4,121	3,452	4,121	3,452
	<b>14,292</b>	<b>12,285</b>	<b>14,292</b>	<b>12,285</b>

\*The remuneration to key managerial personnel does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Company as a whole.

**B. Balances outstanding as at year end**

Particulars	Key management		Total	
	2021	2020	2021	2020
<b>Remuneration</b>				
Mr. S. Ramann	-	828	-	828
Mr. Vinod Shenoy M.	-	-	-	-
Mr. M. Murthy	-	-	-	-
	<b>-</b>	<b>828</b>	<b>-</b>	<b>828</b>

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## 26.1 Gratuity plan

The following table sets out the status of the unfunded gratuity plan as required by Ind AS 19 - 'Employee benefits'.

<b>Amount Recognized in Statement of Financial Position at Period-End</b>		
	2021	2020
Present Value of Unfunded Defined Benefit Obligation	4,075	2,906
Fair value of Plan Assets	-	-
Present Value of Funded Defined Benefit Obligation	4,075	2,906
Unrecognised Asset due to the Asset Ceiling	-	-
<b>Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position</b>	<b>4,075</b>	<b>2,906</b>
<b>Net Defined Benefit Cost/(Income) included in Statement of Profit &amp; Loss at Period-End</b>		
	2021	2020
Service Cost	-	-
Net Interest Cost	2,142	679
Past Service Cost	268	104
Administration Expenses	(1,690)	-
(Gain)/Loss due to Settlements/Curtailments/Terminations/Divestitures	-	-
<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss</b>	<b>720</b>	<b>783</b>
<b>Current / Non-Current Bifurcation</b>		
	2021	2020
Current Benefit Obligation	39	11
Non - Current Benefit Obligation	4,036	2,895
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>4,075</b>	<b>2,906</b>
<b>Actual Return on Plan Assets</b>		
	2021	2020
Interest Income on Plan Assets	-	-
Remeasurements on Plan Assets	-	-
<b>Actual Return on Plan Assets</b>	<b>-</b>	<b>-</b>
<b>Analysis of Amounts Recognised in Other Comprehensive (Income)/Loss at Period-End</b>		
	2021	2020
Amount recognized in OCI, Beginning of Period	1,356	226
<b>Remeasurements due to :</b>		
Effect of Change in financial assumptions	195	768
Effect of Change in demographic assumptions	-	-
Effect of experience adjustments	-	-
(Gain)/Loss on Curtailments/Settlements	254	361
Return on plan assets (excluding interest)	-	-
Changes in asset ceiling	-	-
<b>Total remeasurements recognized in OCI</b>	<b>449</b>	<b>1,129</b>
<b>Amount recognized in OCI, End of Period</b>	<b>1,805</b>	<b>1,355</b>
<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss and Other Comprehensive Income</b>		
	2021	2020
Amount recognized in P&L, End of Period	720	783
Amount recognized in OCI, End of Period	449	1,129
<b>Total Net Defined Benefit Cost/(Income) Recognized at Period-End</b>	<b>1,169</b>	<b>1,912</b>
<b>Change in the Unrecognised Asset due to the Asset Ceiling During the Period</b>		
	2021	2020
Unrecognised Asset, Beginning of Period	-	-
Interest on Unrecognised Asset Recognised in P&L	-	-
Other changes in Unrecognised Asset due to the Asset Ceiling	-	-
<b>Unrecognised Asset, End of Period</b>	<b>-</b>	<b>-</b>
<b>Change in Defined Benefit Obligation during the Period</b>		
	2021	2020
Defined Benefit Obligation, Beginning of Period	2,906	994
Net Current Service Cost	2,142	679
Interest Cost on DBO	268	104
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	449	1,129
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	-	-
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	(1,690)	-
<b>Defined Benefit Obligation, End of Period</b>	<b>4,075</b>	<b>2,906</b>



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<b>Change in Fair value of Plan Assets during the Period</b>			
	2021	2020	
Fair value of Plan Assets, Beginning of Period	-	-	
Interest Income Plan Assets	-	-	
Actual Company Contributions	-	-	
Actual Plan Participants' Contributions	-	-	
Actual Taxes Paid	-	-	
Actual Administration Expenses Paid	-	-	
Changes in Foreign Currency Exchange Rates	-	-	
Actuarial Gains/(Losses)	-	-	
Benefits Paid	-	-	
Acquisition/Business Combination/Divestiture	-	-	
Assets extinguished on Settlements/Curtailments	-	-	
<b>Fair value of Plan Assets, End of Period</b>	<b>-</b>	<b>-</b>	
<b>Reconciliation of Balance Sheet Amount</b>			
	2021	2020	
Balance Sheet (Asset)/Liability, Beginning of Period	-	-	
Total Charge/(Credit) Recognised in Profit and Loss	2,906	994	
Total Remeasurements Recognised in OC (Income)/Loss	720	783	
Acquisitions/Business Combinations/Divestitures	449	1,129	
Actual Employer Contribution	-	-	
Other Events	-	-	
<b>Balance Sheet (Asset)/Liability, End of Period</b>	<b>4,075</b>	<b>2,906</b>	
<b>Financial Assumptions Used to Determine the Defined Benefit Obligation</b>			
	2021	2020	
Discount Rate	7.07%	6.75%	
Salary Escalation Rate	12.00%	10.00%	
<b>Financial Assumptions Used to Determine the Profit &amp; Loss Charge</b>			
	2021	2020	
Discount Rate	7.07%	6.75%	
Salary Escalation Rate	12.00%	10.00%	
Expected Return on Plan Assets	N.A.	N.A.	
<b>Demographic Assumptions Used to Determine the Defined Benefit Obligation</b>			
	2021	2020	
Withdrawal Rate	5.00%	5.00%	
Mortality Rate	IALM (2012-14) Ult	IALM (2012-14) Ult	
Retirement Age	60 years	60 years	
<b>Asset Category</b>			
	2021	2021	2021
	Quoted Value	Non-Quoted Value	Total
Government of India Securities (Central and State)	0.00%	0.00%	0.00%
High quality corporate bonds (including Public Sector Bonds)	0.00%	0.00%	0.00%
Equity shares of the Company	0.00%	0.00%	0.00%
Insurer Managed Funds & T-bills	0.00%	0.00%	0.00%
Cash (including Bank Balance, Special Deposit Scheme)	0.00%	0.00%	0.00%
Others	0.00%	0.00%	0.00%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Expected Cashflows for the Next Ten Years</b>			
	2021		
Year - 2022	40		
Year - 2023	1,013		
Year - 2024	154		
Year - 2025	202		
Year - 2026	239		
Year - 2027 to 2031	1,805		
<b>Defined Benefit Obligation by Participant Status</b>			
	2021		
a. Actives	4,075		
b. Vested Deferreds	-		
c. Retirees	-		
<b>Total Defined Benefit Obligation</b>	<b>4,075</b>		
<b>Sensitivity Analysis</b>			
	2021		
Defined Benefit Obligation - Discount Rate + 100 basis points	(337)		
Defined Benefit Obligation - Discount Rate - 100 basis points	420		
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	167		
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(147)		



**26.2 Leave Encashment & Compensated absence scheme**

The following table sets out the status of leave Encashment & Compensated absence scheme as required by Ind AS 19 - 'Employee benefits'.

<b>Amounts in Balance Sheet at Period-End</b>		
	<b>2021</b>	<b>2020</b>
Present Value of Unfunded Defined Benefit Obligation	5,118	2,053
Fair value of Plan Assets	-	-
Present Value of Funded Defined Benefit Obligation	5,118	2,053
Unrecognised Asset due to Asset Ceiling	-	-
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>5,118</b>	<b>2,053</b>
<b>Amounts Recognised in Statement of Profit &amp; Loss at Period-End</b>		
	<b>2021</b>	<b>2020</b>
Service Cost	-	-
Net Interest Cost	246	120
Past Service Cost	143	109
Remeasurements	-	-
(Gain)/Loss due to Settlements/Curtailments/Terminations/Divestitures	3,838	1,473
Administration Expenses	-	-
<b>Total Expense/(Income) included in "Employee Benefit Expense"</b>	<b>4,227</b>	<b>1,702</b>
Note : The actuarial gains & losses are recognised, immediately, through profit & loss account.		
<b>Change in Defined Benefit Obligation during the Period</b>		
	<b>2021</b>	<b>2020</b>
Defined Benefit Obligation, Beginning of Period	-	-
Net Current Service Cost	2,053	1,392
Interest Cost on DBO	246	120
Actual Plan Participants' Contributions	143	109
Actuarial (Gains)/Losses	-	-
Changes in Foreign Currency Exchange Rates	3,838	1,473
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	-	-
Past Service Cost	(1,162)	(1,041)
Losses / (Gains) on Curtailments/Settlements	-	-
<b>Defined Benefit Obligation, End of Period</b>	<b>5,118</b>	<b>2,053</b>
<b>Change in Fair value of Plan Assets during the Period</b>		
	<b>2021</b>	<b>2020</b>
Fair value of Plan Assets, Beginning of Period	-	-
Interest Income on Plan Assets	-	-
Actual Company Contributions	-	-
Actual Plan Participants' Contributions	-	-
Actual Taxes Paid	-	-
Actual Administration Expenses Paid	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	-	-
Benefit Paid	-	-
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
<b>Fair value of Plan Assets, End of Period</b>	<b>-</b>	<b>-</b>



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**27 Disclosures under IndAS 116**

**a Expenses relating to short term leases or low value leases**

Particulars	2021	2020
Expenses relating to short term leases	1,790	543
Expenses relating to leases of low-value	97	192
<b>Total +</b>	<b>1,887</b>	<b>735</b>

+ The expenses relating to short term leases and leases of low-value are disclosed under Note 21 - IT data center expenses and Note 24.

**b. Maturity analysis of lease liability, disclosed under note. 13.1 and 16.1**

Particulars	2021	2020
<b>Future lease payments (undiscounted)</b>		
2020-21	-	16,027
2021-22	20,190	13,160
2022-23	15,727	13,219
2023-24	3,971	3,971
2024-25	2,382	2,382
<b>Total future lease payments (undiscounted)</b>	<b>42,270</b>	<b>48,759</b>
Total future finance costs	(3,158)	(5,541)
<b>Lease liability</b>	<b>39,112</b>	<b>43,218</b>
Short-term portion presented under current liabilities (refer note 16.1)	18,318	13,592
Long-term portion presented under non-current liabilities (refer note 13.1)	20,794	29,626

**28 Change in tariff structure and revenue recognition**

- a) The Board of the Company decided to review the tariff structure, in the board meeting held on Sep 24, 2019. Amongst others, it was decided to offer financial creditors, hosting of records for the category of individuals-secured, for 5 years (instead of 1 year earlier) for same tariff of Rs 50 per record. Similarly for the category of individuals-unsecured, the charge of Rs 25 per record would be a one-time charge. Accordingly for the financial year 2019-20, the remaining unamortised deferred revenue for individual-secured and unsecured records was recognised over the remaining unelapsed period, considering a uniform hosting period of 5 years. In the board meeting held on 24th August 2020, it is decided that fee for records under the category of individual-unsecured is for 3 years. Accordingly from the financial year 2020-21, the tenure for revenue recognition stands changed from 5 years to 3 years; remaining unamortised deferred revenue as at April 1, 2020 for individual-unsecured records is cumulatively trued up.

**Impact of change in hosting period from 5 year to 3 year for existing records of individuals-unsecured as at the start of the year.**

Particulars	Rs in thousands
Deferred revenue for individual unsecured as on April 1, 2020	81,767
Revenue which was to be recognised in FYE 2021	17,404
Revenue recognised in FYE 2021	30,543
<b>Impact in current year - revenue recognised</b>	<b>13,139</b>

- b) In the FY 2019-20 revenue from a contract is not recognized for records submitted during the last four working days of the month. W.e.f April 1, 2020, to aid simplicity and automation, a fixed date of 26th is substituted for cutoff in the previous year FY 19-20 where revenue was not recognised

**Impact of change in the cutoff:**

Particulars	Rs in thousands
Revenue which was to be recognised in FYE 2021	2,96,334
Revenue recognised in FYE 2021	2,98,756
<b>Impact in current year - revenue recognised</b>	<b>2,422</b>

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**29 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements**

Name of the entity	Net assets		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	as % of consolidated net assets	Amount	as % of consolidated profit and loss	Amount	as % of consolidated other comprehensive income	Amount	as % of consolidated total comprehensive income	Amount
<b>National E-Governance Services Limited</b>								
FYE 2021	94.34%	10,99,007	101.67%	2,75,076	112%	(377)	101.66%	2,74,699
FYE 2020	93.67%	8,24,308	101.09%	1,41,135	97%	(903)	101.12%	1,40,232
<b>Subsidiaries</b>								
<b>NESL Asset Data Limited</b>								
FYE 2021	4.58%	53,369	-2.43%	(6,587)	-12%	41	-2.42%	(6,546)
FYE 2020	5.14%	45,200	-1.42%	(1,989)	3%	(24)	-1.45%	(2,013)
<b>NESL E-infrastructure Limited</b>								
FYE 2021	1.08%	12,610	0.76%	2,067	0%	-	0.77%	2,067
FYE 2020	1.20%	10,543	0.33%	465	0%	-	0.34%	465
<b>Sub total FYE 2021</b>	<b>100%</b>	<b>11,64,986</b>	<b>100%</b>	<b>2,70,556</b>	<b>100%</b>	<b>(336)</b>	<b>100%</b>	<b>2,70,220</b>
<b>Sub total FYE 2020</b>	<b>100%</b>	<b>8,80,051</b>	<b>100%</b>	<b>1,39,611</b>	<b>100%</b>	<b>(927)</b>	<b>100%</b>	<b>1,38,684</b>
<b>Adjustment arising out of consolidation</b>								
FYE 2021		(75,000)		-		-		-
FYE 2020		(60,000)		-		-		-
<b>Total FYE 2021</b>		<b>10,89,986</b>		<b>2,70,556</b>		<b>(336)</b>		<b>2,70,220</b>
<b>Total FYE 2020</b>		<b>8,20,051</b>		<b>1,39,611</b>		<b>(927)</b>		<b>1,38,684</b>



30 The carrying value and fair value of financial instruments by categories as at March 31, 2021 are as follows.

Particulars	Note	Carrying value		Fair value	
		2021	2021	2020	2020
<b>Financial assets</b>					
<b>Amortised cost</b>					
Other financial assets (Bank deposits)	6.2	1,40,200	1,40,200	1,11,800	1,11,800
Trade receivables	9.2	1,95,723	1,95,723	3,37,918	3,37,918
Cash and cash equivalents	9.3.1	91,633	91,633	18,115	18,115
Other bank balances	9.3.2	7,99,330	7,99,330	5,57,800	5,57,800
Other financial assets	9.4	33,686	33,686	16,063	16,063
Investments in government securities	6.1	74,841	74,841	-	-
<b>Fair value through profit and loss (FVPTL)</b>					
Investments in mutual funds (quoted)	6.1 & 9.1	94,320	94,320	41,861	41,861
Other financial assets (Security deposits)	6.2 & 9.4	3,065	3,065	1,913	1,913
<b>Total financial assets</b>		<b>14,32,798</b>	<b>14,32,798</b>	<b>10,85,470</b>	<b>10,85,470</b>
<b>Financial liabilities</b>					
<b>Amortised cost</b>					
Lease liability	13.1 & 16.1	39,112	39,112	43,218	43,218
Trade payables	16.2	20,891	20,891	19,716	19,716
Other financial liabilities	16.3	5,876	5,876	4,229	4,229
<b>Fair value through profit and loss (FVPTL)</b>					
Other financial liabilities (Security deposits)	13.2	1,214	1,214	1,140	1,140
<b>Total financial liabilities</b>		<b>67,093</b>	<b>67,093</b>	<b>68,303</b>	<b>68,303</b>

### 31 Fair value hierarchy

This explains the judgments and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair values the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

All assets and liabilities for which fair value is measured or disclosed in the standalone Ind AS financial statements are categorized 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 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

#### 31.1 Financial assets and liability measured at fair value - recurring fair value measurement as at 31st March 2021

Particulars	Note	Fair value measurement using			
		Total	Level 1	Level 2	Level 3
<b>Assets measured at fair value:</b>					
Investments in mutual funds (quoted)		94,320	94,320	-	-
Other financial assets (Security deposits)		3,065	-	3,065	-
<b>Liabilities measured at fair value:</b>					
Other financial liabilities (Security deposits)		1,214	-	1,214	-

#### 31.2 Financial assets and liability measured at fair value - recurring fair value measurement as at 31st March 2020

Particulars	Note	Fair value measurement using			
		Total	Level 1	Level 2	Level 3
<b>Assets measured at fair value:</b>					
Investments in mutual funds (quoted)		41,861	41,861	-	-
Other financial assets (Security deposits)		1,913	-	1,913	-
<b>Liabilities measured at fair value:</b>					
Other financial liabilities (Security deposits)		1,140	-	1,140	-

#### 31.3 Specific valuation techniques used to value the above financial instruments include

1) The use of quoted market prices

2) Security deposits and Deposits received are fair valued under effective interest rate method using discount rate prevalent for FDs of similar term at the time of origination of such deposits.

#### 31.4 Financial risks and management and maturity profile

Financial assets are periodically reviewed for credit, liquidity and market risks. Other financial assets (non current) and other bank balances are deposits with Union Bank of India, Bank of Baroda, Canara Bank and SBI, listed public sector undertakings, and carry negligible risks except concentration risk. Maturity profile of deposits is given in table below. The banks are majority owned by Indian Government; credit and liquidity risks are assessed as negligible and do not warrant an elaborate risk management strategy for the risks (credit, liquidity and concentration) except balance confirmations done periodically. Other financial assets (current) consists of accrued interest (on deposits with Bank of Boroda,



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Canara Bank and SBI) which carry same risks as cash and cash equivalents. Investments contain investment in mutual fund (Debt or liquid funds) which carry interest rate risks. The Group reviews its investments in mutual fund and its performance periodically to guard against interest risk by reallocating such investments to other alternatives including cash.

\*Maturity profile of Fixed deposits disclosed in note 6.2 and 9.3.2

Sl no.	Maturing within	Rs in Crore
1	1 to 3 months	22.41
2	4 to 12 months	57.52
3	1 year to 2 year	14.02
	<b>Total</b>	<b>93.95</b>

**32 Capital management**

**National E-Governance Services Limited:**

The Company is subject to capital maintenance as per regulatory requirements by Insolvency and Bankruptcy Code (IBC), to maintain minimum capital of Rs 5000 Lakhs computed as Net Worth (as defined in Companies Act, 2013), during any year. Net Worth is the total of Equity Share Capital and Other Equity as disclosed in the balance sheet. The management has assessed that the Company is currently sufficiently capitalised in terms of the Net Worth requirements during, and, as at the end of, current and previous financial year.

**NeSL Asset Data Limited:**

The Company is subject to regulatory requirements by RBI to maintain capital of Rs 200 lakhs at the time of being licensed as Account Aggregator, as per the in-principle approval given by RBI to the Company under its Master Directions. RBI requires capital maintenance in terms of Net Owned Fund (NoF). For NoF calculation, intangibles do not qualify to be capitalised. During the year, the holding company has infused Rs. 150 lakhs in Mar-2021 in order to maintain NoF above the regulatory requirements mandated by RBI. The management has assessed that the Company is currently sufficiently capitalised in terms of the NoF requirements as at the end of current financial year. Any future capital requirements will be reviewed by the management of the Company to comply with the regulatory requirement.

**33 Earning per share**

Particulars	2021	2020
Profit/(loss) attributable to equity shareholders of the Group	2,70,556	1,39,611
Number of shares outstanding as on the balance sheet date (units in thousands)	75,000	75,000
Weighted average number of shares purpose of EPS basic and diluted (units in thousands)	75,000	75,000
<b>Earnings per share basic and diluted (in ₹ per share)</b>	<b>3.61</b>	<b>1.86</b>

**34 Corporate social responsibility (CSR)**

The Company has made a profit of more than 5 crores in the previous year. Hence, the Company is required to spend 2% of its average net profit for the immediately preceding 3 financial years on CSR activities as per Section 135 and Schedule VII of the Companies Act as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the company has made the following expenditure in CSR activities:

Particulars	2021	2020
CSR expenditure in kind	723	-
Contribution to PM National Relief Fund	92	-
<b>Total</b>	<b>815</b>	<b>-</b>

**35 Contingent liabilities and commitments**

The Company has given a performance bank guarantee of Rs 10 Lakhs to its regulator the IBBI, for offering Insolvency Professional Module services. This was done in compliance with the terms of the RFP of IBBI in which the Company had participated and won. The Group does not have any contingent liability which require recognition or disclosure in the financial statements. NeSL has commitments of Rs. 9.57 lakhs and NaDL has capital commitments for Rs 18.75 lakhs towards capital contract for development of modules of Account Aggregation Software and other commitments of Rs 0.50 lakhs.

**36 Other notes accompanying the consolidated financial statements**

i) The Group is maintaining the books of account at its administrative office in Bengaluru as authorised by the Board of Directors.

As per our report of even date attached

For **Abarna & Ananthan**

Chartered accountants

Firm registration number: 0000035

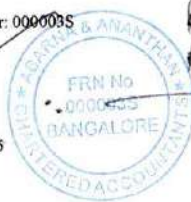
Abarna Bhaskar

Partner

Membership No: 025145

Date: 26/07/2021

Place: Bengaluru



For and on behalf of the Board of Directors of  
**National E-Governance Services Limited**

R. Gandhi

Director

DIN: 03341633

Vinod Shenoy M.

Chief Financial Officer

Date: 26/07/2021

Place: Bengaluru

S. Sadagopan

Director

DIN: 00118285

Mruthunjaya Murthy

Company Secretary

