

8th ANNUAL REPORT 2023 - 24



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BOARD OF DIRECTORS



N S Vishwanathan
Chairman and Independent Director



P.N. Prasad
Independent Director



Sudha Krishnan
Independent Director



Rajesh Doshi
Independent Director



J.S. Tolia
Nominee Director (LIC)



Ashok Kumar Sharma
Nominee Director (SBI)



Atul Arora
Nominee Director (ICICI Bank)



Debajyoti Ray Chaudhuri
Managing Director & CEO

KEY MANAGERIAL PERSONNEL

E P NIVEDITA
EXECUTIVE DIRECTOR & CRO

DIWAKAR KANNAN
CHIEF TECHNOLOGY OFFICER | CHIEF FINANCIAL OFFICER

S PADMAVATHY
COMPANY SECRETARY

STATUTORY AUDITORS

M/S. B S D & CO, CHARTERED ACCOUNTANTS, BENGALURU

REGISTRARS AND TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED
C- 101, 247 PARK, L.B. S MARG, VIKHROLI (WEST), MUMBAI – 400083



NOTICE OF 8th ANNUAL GENERAL MEETING NATIONAL E-GOVERNANCE SERVICES LIMITED

NOTICE is hereby given that the **Eighth Annual General Meeting** of the members of **National E-Governance Services Limited (CIN: U72900MH2016GOI282855)** will be held on the Thursday, 26th of December, 2024 at 11.00 AM 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 4th Floor, Gresham Assurance House, Sir PM Road, Fort, Mumbai- 400 001

Ordinary Business:

To consider and if thought fit, to pass with or without modification, the following resolutions as Ordinary Resolutions:

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 31st March, 2024 and the Reports of the Board of Directors and the Auditors (Statutory & C&AG) 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 31st March, 2024 and the Reports of the Auditors (Statutory & C&AG along with its comments) thereon.

Item No. 3 – Appointment and fixation of remuneration of Statutory Auditors for the financial year 2024-25:

“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 appointment of M/s. K N Prabhashankar & Co, Chartered Accountants, (Firm Regn. No 004982S) the Statutory Auditors of the Company as advised and appointed by the Comptroller and Auditor General (C&AG) of India to conduct the statutory audit for the financial year 2024-25.

RESOLVED FURTHER THAT the members hereby authorise the Board of Directors upon the recommendation of the Audit Committee to fix the remuneration of the Statutory Auditors for the Financial Year 2024-25 upon intimation to the C&AG.”

Item No. 4 – Declaration of Final Dividend at the rate of 10%, i.e. Re.1/- (Rupee One only) on each fully paid-up equity share of Rs.10/- (Rupees Ten only) for the year ended 31st March, 2024:

“RESOLVED THAT pursuant to provisions of Sec. 123(3) of the Companies Act, 2013 read with Companies (Declaration and Payment of Dividend) Rules, 2014, a final dividend of 10%, i.e. Re.1/- (Rupee one only) on each fully paid-up equity share of Rs.10/- (Rupees Ten only) aggregating to Rs. 7.50 crores, as recommended by the Board of Directors of the Company for the financial year ended March 31st, 2024, be and is hereby declared and the same be paid out of the profits of the Company for the current financial year 2023-24, to those members whose name appear in the Register of Members as on the date of the Annual General Meeting approving the final dividend, being the record date for the payment of dividend.”

Item No. 5 – Re-Appointment of Mr. Jagat Singh Tolia (DIN: 09617044), Director who retires by rotation and being eligible, offered himself for re-appointment:

To appoint a Director in place of Mr. Jagat Singh Tolia (DIN: 09617044), who retires by rotation at this meeting pursuant to Section 152 (6) of the Companies Act, 2013 and regulations made there under, and being eligible, offers himself for re-appointment.

Special Business:

Item No.6 – To consider and if thought fit with or without modification, pass the following resolution as Ordinary Resolution:

Appointment of Shri. Subramanian Nurani Vishwanathan (DIN: 09568559) as an Independent Director for a term of three years:

To consider and if thought fit with or without modification, pass the following resolution as Ordinary Resolution:

“RESOLVED THAT Shri. Subramanian Nurani Vishwanathan (DIN: 09568559), who was appointed as an additional director (independent) by the Board of the company on 28th March, 2024 and hold office upto the date of this Annual General Meeting, 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) on the recommendation of the Board of Directors of the company, approval of the members be and are hereby accorded for the appointment of Shri. Subramanian Nurani Vishwanathan (DIN: 09568559) as an independent director, not liable to retire by rotation, for a term of three years upto 27th March, 2027.

RESOLVED FURTHER THAT any director or the Company Secretary of the Company be and are hereby authorized to severally sign the requisite forms / documents and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.”

Item No.7 – To consider and if thought fit with or without modification, pass the following resolution as Special Resolution:

Re-appointment of Shri. Parameswaran Pillai Naga Prasad (DIN: 07430506) as an independent director for second term:

“RESOLVED THAT Shri. Parameswaran Pillai Naga Prasad (DIN: 07430506), who was appointed as an independent director on 15th February, 2022 for a term of 3 years till 14th February, 2025, 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) on the recommendation of the Board of Directors of the company, approval of the members be and are hereby accorded for the appointment of Shri. Parameswaran Pillai Naga Prasad (DIN: 07430506) as an independent director, not liable to retire by rotation, for a second term of three years up to 13th February, 2028.

RESOLVED FURTHER THAT, any director or the Company Secretary of the Company be and are hereby authorized to severally sign the requisite forms / documents and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.”

Item No.8 – To consider and if thought fit with or without modification, pass the following resolution as Special Resolution:

Re-appointment of Smt. Sudha Krishnan (DIN: 02885630) as an independent director for second term:

“RESOLVED THAT Smt. Sudha Krishnan (DIN: 02885630), who was appointed as an independent director on 15th February, 2022 for a term of 3 years till 14th February, 2025, 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) on the recommendation of the Board of Directors of the company, approval of the members be and are hereby accorded for the appointment of Smt. Sudha Krishnan (DIN: 02885630) as an independent director, not liable to retire by rotation, for a second term of three years up to 13th February, 2028.

RESOLVED FURTHER THAT, any director or the Company Secretary of the Company be and are hereby authorized to severally sign the requisite forms / documents and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.”

Item No.9 – To consider and if thought fit with or without modification, pass the following resolution as Special Resolution:

Re-appointment of Shri. Rajesh Rasiklal Doshi (DIN: 00059903) as an independent director for second term:

“RESOLVED THAT Shri. Rajesh Rasiklal Doshi (DIN: 00059903), who was appointed as an independent director on 07th May, 2022 for a term of 3 years till 06th May, 2025, 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) on the recommendation of the Board of Directors of the company, approval of the members be and are hereby accorded for the appointment of Shri. Rajesh Rasiklal Doshi (DIN: 00059903) as an independent director, not liable to retire by rotation, for a second term of three years up to 05th May, 2028.

RESOLVED FURTHER THAT, any director or the Company Secretary of the Company be and are hereby authorized to severally sign the requisite forms / documents and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.”

Item No.10– To consider and if thought fit with or without modification, pass the following resolution as Ordinary Resolution:

Approval to apply the relevant benefits as per the HR policy of the company to the MD & CEO till his tenure and ratification of the health club membership provided to the MD & CEO for the FY 2022-23 and FY 2023-24 and approval of extension of such facility till his tenure in the company

“RESOLVED THAT pursuant to the recommendation of the Board of directors of the company and as per the provisions of Section 196, 197, 198, 201 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications and statutory modification, amendment or reenactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act, and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard, approval of the members be and hereby is accorded to ratify the perquisite given to Shri. Debajyoti Ray Chaudhuri, (DIN: 09242571) Managing Director & CEO (MD & CEO) for availing health club membership facility for an amount of Rs. 1,25,000/- plus applicable taxes per annum and reimbursement of the income tax liability on such membership fee to the MD & CEO for the FY 2022-23 and 2023-24 and extension of such benefit till his tenure with the company as part of his remuneration.

RESOLVED FURTHER THAT approval of the members be and hereby is accorded to authorise the Board on the recommendation of the NRC to modify, amend and revise the benefits/perquisites/allowance, etc., for the MD & CEO as per the HR policy of the company amended from time to time.

RESOLVED FURTHER THAT save and except as aforesaid, all other terms and conditions of appointment of the MD & CEO approved at the 6th AGM shall continue to remain in force and effect.

RESOLVED FURTHER THAT any of the directors or the Company Secretary of the company be and are hereby authorised to do severally all such acts deeds including filing of necessary form with the regulator, authorities, etc and things as they may deem necessary, proper or desirable and settle any questions, difficulty or doubt that may arise in this regard.”

Date: 02/12/2024 Place: Bengaluru	For National E-Governance Services Limited By Order of the Board of Directors
Registered Office: Gresham Assurance House 4th Floor, Sir P M Road Fort Mumbai 400001	Sd/- S. Padmavathy Company Secretary ACS: 37997

NOTES:

1. The Ministry of Corporate Affairs vide their circulars, General Circular Nos. (i) 20/2020 dated 05.05.2020 (AGM Circular),(ii) 14/2020, dated 08.04.2020 (EGM Circular – I) and (iii) 17/2020 dated 13.04.2020 (EGM Circular – II)] and subsequent circulars issued in this regard, 10/2022 dated 28.12.2022, General Circular No. 09/2023 dated 25.09.2023, General Circular No. 09/2024 dated 19.09.2024 (collectively referred to as “MCA Circulars”) has permitted the holding of the annual general meeting through Video Conferencing (“VC”) or through other audio-visual means (“OAVM”), without the physical presence of the Members at a common venue.
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. 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 authorized 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.
4. 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, authorised by the members.
5. The Board of Directors at its meeting held on August 05, 2024, has recommended a final dividend of Rs. 1/- per equity share of Rs. 10/- each for the financial year ending March 31, 2024 subject to approval of the Shareholders at this Annual General Meeting.

6. The Final dividend, if approved by the members at this Annual General Meeting will be paid to those shareholders whose names stand as beneficial owners as at the end of business hours on 26th December 2024 ("Record Date") as per list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Members holding shares must intimate the changes, if any, to their respective Depository Participants (DPs) only.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 and relevant documents referred to in this Notice of AGM along with the Annexures will be available electronically for inspection without any fee by the members from the date of circulation of this Notice and up to the date of AGM. Members seeking to inspect such documents can send an email to cs@nesl.co.in.
8. The RTA for correspondences relating to share registry related matters will be Link Intime India Private Limited, C- 101, 247 Park, L.B.S Marg, Vikhroli (west), Mumbai – 400083
9. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business, as set out in Agenda Item nos. 6 - 10 is annexed hereto.

Date: 02/12/2024 Place: Bengaluru	For National E-Governance Services Limited By Order of the Board of Directors
Registered Office: Gresham Assurance House 4th Floor, Sir P M Road Fort Mumbai 400001	SD/- S. Padmavathy Company Secretary ACS: 37997

EXPLANATORY STATEMENT AS REQUIRED UNDER THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No 6:

Shri. Subramanian Nurani Vishwanathan (DIN: 09568559) was inducted as an additional director (independent) on 28th March, 2024 in terms of the provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Articles of Association of the Company, holds office upto the date of this Annual General Meeting of the company.

In terms of the provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as the case may be, along with deposit of one lakh rupees. However, as per the proviso to Sec. 160, the requirements of deposit amount shall not apply in case of appointment of Independent Director. Since Shri. Subramanian Nurani Vishwanathan is an Independent Director of the Company, there is no requirement of the deposit.

Accordingly, the company has received a notice from the director proposing himself for the office of Director in terms of Section 160 of the Companies Act, 2013. Shri. Subramanian Nurani Vishwanathan has also given a declaration to the company that he meets criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Qualification of Directors) Rules, 2014. He does not hold any shares of NeSL.

Further as required under Regulation 9 of the Insolvency Bankruptcy Board of India (IU) Regulations, 2017, IBBI has accorded its approval to appoint Shri. Subramanian Nurani Vishwanathan as the independent Director of the company.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 6 of the Notice except Shri. Subramanian Nurani Vishwanathan. The Board recommends the Ordinary Resolution as set out at item no. 6 for approval by the Members.

Item No 7-

Shri. Parameswaran Pillai Naga Prasad (DIN: 07430506) was inducted as an independent director with effect from 15th February, 2022. Accordingly, his tenure of three years as Independent Director for the first term shall complete on 14th February, 2025. As per the provision of Section 149(10) of the Companies Act, 2013 he can be reappointed as Independent Director for a second term on passing a special resolution by the shareholders in the General Meeting of the Company. As per the Secretarial Standards, the re-appointment for the second term through shareholders' approval has to be completed before the expiry of first term. Since his first term of three years is concluding on

14th February, 2025 and as the company foresees that there may not be any circumstance to hold general meeting of the shareholders during that period, it is proposed to seek the approval of the shareholders in this Annual General Meeting (AGM) of the company.

Hence, it is proposed to seek the approval of the members of the company through special resolution to re-appoint him for the second term. The Nomination and Remuneration Committee of the company on 6th September, 2024 had reviewed and recommended to the Board for the approval of the proposal for reappointment of Shri. Parameswaran Pillai Naga Prasad, subject to the approval of members of the company. The Board of Directors of the company have reviewed the performance evaluation of Shri. Parameswaran Pillai Naga Prasad and his performance was found satisfactory and approved for his re-appointment. During his first term of appointment, his contribution towards the growth of the company and his participation at the Board and Committee meetings were productive. His suggestions were valuable in taking the combined decision of the Board and Committees. Your Board strongly recommends the re-appointment of Shri. Parameswaran Pillai Naga Prasad and as per the declaration provided to the Company, he is not disqualified from being appointed as Director of the Company

As per Regulation 9 of IBBI (IU) Regulations, 2017, an independent Director can hold the office for two terms of up to three years each. Shri. Parameswaran Pillai Naga Prasad will be completing his first term of 3 years tenure on 14th February, 2025 and as mentioned above, his term of re-appointment shall be for a period of three years upto 13th February, 2028.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 7 of the Notice except Shri. Parameswaran Pillai Naga Prasad. The Board recommends the Special Resolution as set out at item no. 7 for approval by the Members.

Item No 8 –

Smt. Sudha Krishnan (DIN: 02885630) was inducted as an independent director with effect from 15th February, 2022. Accordingly, her tenure of three years as Independent Director for the first term shall complete on 14th February, 2025. As per the provision of Section 149(10) of the Companies Act, 2013 she can be reappointed as Independent Director for a second term on passing a special resolution by the shareholders in the General Meeting of the Company. As per the Secretarial Standards, the re-appointment for the second term through shareholders' approval has to be completed before the expiry of first term. Since her first term of three years as per Companies Act, 2013 is concluding on 14th February, 2025 and as the company foresees that there may not be any circumstance to hold general meeting of the shareholders during that period, it is proposed to seek the approval of the shareholders in this Annual General Meeting (AGM) of the company.

Hence, it is proposed to seek the approval of the members of the company through special resolution to re-appoint her for the second term. The Nomination and Remuneration Committee of the company on 06th September, 2024 had reviewed and recommended to the Board for the approval of the proposal for reappointment of Smt. Sudha Krishnan, subject to the approval of members of the company. The Board of Directors of the company have reviewed the performance evaluation of Smt.

Sudha Krishnan and her performance was found satisfactory and approved for her re-appointment. During her first term of appointment, her contribution towards the growth of the company and her participation at the Board and Committee meetings were productive. Her suggestions were valuable in taking the combined decision of the Board and Committees. Your Board strongly recommends the re-appointment of Smt. Sudha Krishnan and as per the declaration provided to the Company, she is not disqualified from being appointed as Director of the Company

As per Regulation 9 of IBBI (IU) Regulations, 2017, an independent Director can hold the office for two terms of up to three years each. Smt. Sudha Krishnan will be completing her first term of 3 years tenure on 14th February, 2025 and as mentioned above, her term of re-appointment shall be for a period of three years till 13th February, 2028.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 8 of the Notice except Smt. Sudha Krishnan. The Board recommends the Special Resolution as set out at item no. 8 for approval by the Members.

Item No 9 –

Shri. Rajesh Rasiklal Doshi (DIN: 00059903) was inducted as an independent director on 07th May, 2022. Accordingly, his tenure of three years as Independent Director for the first term shall complete on 06th May, 2025. As per the provision of Section 149(10) of the Companies Act, 2013 he can be reappointed as Independent Director for a second term on passing a special resolution by the shareholders in the General Meeting of the Company. As per the Secretarial Standards, the re-appointment for the second term through shareholders' approval has to be completed before the expiry of first term. Since his first term of three years as per Companies Act, 2013 is concluding on 06th May, 2025 and as the company foresees that there may not be any circumstance to hold general meeting of the shareholders during that period, it is proposed to seek the approval of the shareholders in this Annual General Meeting (AGM) of the company.

Hence, it is proposed to seek the approval of the members of the company through special resolution to re-appoint him for the second term. The Nomination and Remuneration Committee of the company on 06th September, 2024 had reviewed and recommended to the Board for the approval of the proposal for reappointment of Shri. Rajesh Rasiklal Doshi, subject to the approval of members of the company. The Board of Directors of the company have reviewed the performance evaluation of Shri. Rajesh Rasiklal Doshi and his performance was found satisfactory and approved for his re-appointment. During his first term of appointment, his contribution towards the growth of the company and his participation at the Board and Committee meetings were productive. His suggestions were valuable in taking the combined decision of the Board and Committees. Your Board strongly recommends the re-appointment of Shri. Rajesh Rasiklal Doshi and as per the declaration provided to the Company, he is not disqualified from being appointed as Director of the Company

As per Regulation 9 of IBBI (IU) Regulations, 2017, an independent Director can hold the office for two terms of up to three years each. Shri. Rajesh Rasiklal Doshi will be completing his first term of 3 years tenure on 06th May, 2025 and as mentioned above, his term of re-appointment shall be for a period

of three years till 05th May, 2028. It may be noted that Shri. Rajesh Doshi would be attaining the age of 70 on 2nd February, 2026.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 9 of the Notice except Shri. Rajesh Rasiklal Doshi. The Board recommends the Special Resolution as set out at item no. 9 for approval by the Members.

Item No 10 –

As per the HR policy of the company the Annual Performance Appraisal and Development Process (PADP) report for the financial year 2023-24 of the MD & CEO was approved by the Board after following due process.

The resultant annual CTC of MD & CEO, giving effect to the annual increment as per the HR Policy, is Rs. 95,15,304/ (salary portion) with effect from 1st April, 2024. The breakup of the revised annual remuneration is as follows:

Particulars	Amount p.a. (Rs.)
Basic	57,09,180
HRA	22,83,672
Spl Allowance	7,77,348
LTA Allowance	60,000
PF	6,85,104
Revised Annual CTC*	95,15,304

*excluding leave encashment, performance bonus and other perquisites.

Further, the NRC at its meeting held on 16th February 2023 had approved for availing a health club membership by the company for the MD & CEO with an annual membership fee not exceeding Rs. 1.25 lakh plus applicable taxes per annum. During June 2023, it was noted that the club membership provided by the company to the MD & CEO was a perquisite and accordingly was taxed under the IT Act, 1961, in the hands of the MD & CEO for the FY 2022-23.

Since this was treated as a taxable perquisite, it was further taken up at the NRC at its meeting held on 27th September 2023, that such tax liability of Rs.50, 662/- be borne by the Company and reimbursed to the MD & CEO.

As the club membership along with the reimbursement of TDS was treated as a perquisite forming part of salary component of the MD & CEO, it required the approval of the shareholders. However, the reimbursements of TDS was approved in the meeting of the NRC held on 27th Sept, 2023, 2 days prior to the scheduled last year's AGM. Due to paucity of time, it could not be placed before the shareholders for approval at the previous year's AGM held on 29th September, 2023.

Further, the NRC at its meeting held on 23rd February 2024 approved the renewal of club membership fees for a further period of one year on the same terms & conditions. The Board approved the ratification subject to the approval of the members at the general meeting. The members are requested to ratify the above act of the company for the FY 2022-23 & 23-24 and approval of extension of such benefit to the MD & CEO until his tenure with the company. In view of the recent

amendments to the HR policy of the company, the benefits applicable to the employees including the MD & CEO which was not part of the original remuneration payable to him approved at the 6th AGM held in 2022, requires shareholders' approval. As the HR policy of the company is evolving and undergoing changes based on business requirements like employee motivation, retention etc., it is proposed to seek the approval of the shareholders to apply benefits as per the HR policy of the company, as and when amended, to the MD & CEO of the company as per his entitlement subject to the approval of the Board upon the recommendation of the Nomination and Remuneration Committee of the company. This has the recommendation of the Board for the approval of the shareholders as resolved by the Board of directors on 5th Sept, 2024.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 10 of the Notice except Shri. Debajyoti Ray Chaudhuri, MD & CEO. The Board recommends the Ordinary Resolution as set out at item no. 10 for approval by the Members.

Note: The detailed profile of all the directors proposed for appointment and re-appointment at this AGM are placed in the website of the company (<https://nesl.co.in/the-board/>).

Date: 02/12/2024 Place: Bengaluru	For National E-Governance Services Limited By Order of the Board of Directors
Registered Office: Gresham Assurance House 4th Floor, Sir P M Road Fort Mumbai 400001	Sd/- S. Padmavathy Company Secretary ACS: 37997

BOARD'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 Eighth Annual Report along with the audited financial statements (Standalone and Consolidated) for NeSL & Group for the financial year (FY) ended 31st March, 2024.

I. FINANCIAL PERFORMANCE

a. Standalone and consolidated financial results:

(In INR Lakhs.)

Particulars	STANDALONE		CONSOLIDATED	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Gross revenue from operations	10,515	8,118	10,632	8,205
Total expenditure before finance cost, depreciation (Net of expenditure transferred to capital)	5,051	3,197	5,471	3,505
Operating Profit	5,464	4,921	5,161	4,700
Add: Other income	1,237	832	1,269	860
Profit before finance cost, depreciation, exceptional items and taxes	6,701	5,753	6,430	5,560
Less: Finance costs	43	60	43	61
Profit before depreciation, exceptional items and taxes	6,658	5,693	6,387	5,499
Less: Depreciation	238	613	292	680
Profit/(Loss) before exceptional items & tax	6,420	5,080	6,095	4,819
Add/(Less): Exceptional Items	-	853	-	582
Profit before taxes	6,420	5,933	6,095	5,401
Less: Tax Expense	-	-	-	-
Current Tax	1,652	1,371	1,652	1,370
Adjustment of Tax PY	-	1	-	1
Deferred Tax	(39)	97	(117)	(54)
Net Profit/(Loss) for the Period	4,807	4,464	4,560	4,084
Other Comprehensive Income (OCI)	(8)	(12)	(9)	(12)
Deferred tax	2	3	2	3
Total comprehensive loss for the year	(6)	(9)	(7)	(9)
Net Profit/(Loss)	4,801	4,455	4,553	4,075
Retained Earnings: Balance brought forward from the previous year	9,263	5,558	8,875	5,557
Add: Profit for the period	4,801	4,455	4,553	4,075
Balance	14,064	10,013	13,428	9,632
Total Appropriations	-	750	-	(757)
Retained Earnings: Balance to be carried forward	14,064	9,263	13,428	8,875

b. Overview of company performance

The company on a standalone basis registered a revenue of Rs. 105.15 Crores during the year under review as against Rs. 81.18 Crores in the previous year, this being a significant upward jump of 29.53 %. The Profit after Tax (PAT) was Rs. 48.01 Crores as compared to Rs. 44.55 Crores in the previous year and resulted in retained earnings of Rs 140.64 Crores as on 31st March, 2024.

NESL Asset Data Limited (NADL), a wholly owned subsidiary, is an NBFC- Account Aggregator regulated by RBI. It reported a loss of Rs. 2.42 Crores, on a revenue of Rs. 75.15 Lakhs during the year under review. NeSL has invested Rs. 5.10 crore during the year to meet its working capital requirements and also to maintain its Net Owned Funds (NOF) at Rs. 2 crores as the conditions of registration with RBI. The total investment in NADL at the end of the year was Rs.15 crores. A fresh valuation of the investment was carried out this year, as per the Valuation Report, the value of the investment in NADL has been determined to be Rs. 12.20 per share, compared to its face value of Rs. 10 per share. Consequently, no impairment provision has been made this year. However, it is worth noting that the current valuation represents a decline from the previous year's valuation of Rs. 15.10 per share.

The Consolidated Revenue for the financial year 2023-24 was Rs. 106.32 Crores, higher by 29.58 % over the previous year's revenue of Rs. 82.05 Crores. The consolidated PAT for financial year 2024 was Rs. 45.53 Crores as against profit of Rs. 40.75 Crores in the previous year.

II. OPERATIONAL PERFORMANCE:

a. Information on debt Records:

The total number of unique debt records as on 31st March 2024 was **4,05,98,887** compared to **2,76,26,022** as on 31st March 2023. The amount of outstanding debt in respect of these records was Rs. **2,34,66,078** crores as on 31st March 2024 compared to Rs **2,05,76,173** crores of the previous year. Similarly, the number of unique debtors in respect of whom information was submitted increased to **2,65,90,208** as on 31st March 2024 from **1,78,66,420** in the previous year. A unique feature of the Information Utility is that it has information relating to operational creditors (OC) and Debenture Trustees (DT), besides the Financial Creditors (FC). For OCs the number of debt records increased from **3,35,140** as on 31st March 2023 to **4,09,565** as on 31st March 2024 and outstanding debt in respect of these records increased from Rs **56,741** crores to Rs **82,678** crores during the same period. For DTs the number of debt records increased from **12,636** on 31st March 2023 to **13,620** as on 31st March 2024, with outstanding debt involved going up from Rs **53,28,605** crores to Rs **57,72,227** crores during the same period.

A snapshot of the performance as on 31st March 2024 compared to previous year:

Unique Debtors in information Utility					
As of March 2024			As of March 2023		
2,65,90,208			1,78,66,420		
Debtor (FC)	Debtor (OC)	Debtor (FC and OC)	Debtor (FC)	Debtor (OC)	Debtor (FC and OC)
2,65,73,248	7,917	9,043	1,78,54,261	4,232	7,927

Active Debt Records in information Utility					
As of March 2024			As of March 2023		
4,05,98,887			2,76,26,022		
Corporates	Other Businesses	Individuals	Corporates	Other Businesses	Individuals
27,25,765	57,01,534	3,21,71,588	25,47,152	48,29,132	2,02,49,738
Outstanding Amount of Active Debt Records (Amount in Rs. Crores)					
As of March 2024			As of March 2023		
2,34,66,078			2,05,76,173		
Corporates	Other Businesses	Individuals	Corporates	Other Businesses	Individuals
1,91,16,578	21,54,023	21,95,477	1,71,90,654	17,96,611	15,88,907

Submitters of Information					
As of March 2024			As of March 2023		
4,201			2,662		
FC	OC	FC and OC	FC	OC	FC and OC
2,179	1,958	64	1,458	1,151	53

- b. Digital Document Execution (DDE)** initiative of the company, which was launched in the FY 21, gained momentum during the year under review. There was substantial increase in the number of transactions from **17,03,466** as on 31st March 2023 to **60,19,145** as on 31st March 2024. The number of states which had granted approval to NeSL's digital e-stamping was **27** as on 31st March 2024.
- c. Electronic bank Guarantee (e-BG)** was launched by the company during the FY 2022-23. During the year additional **14** banks, both in the private and public sector implemented NeSL's e-BG. In the FY 2022-23, **8** Banks were onboarded for e-BG, and by FY 2023-24, a total of **22** Banks were onboarded for e-BG.
- d. Hybrid electronic Bank Guarantee (He-BG)** was launched during FY 2023-24. 3 Banks issued 172 He-BGs during the year.
- e. The PDA service** offered by NeSL has been empaneled by Insolvency and Bankruptcy Board of India (IBBI) to provide services to Insolvency professionals (IPs) under the provisions of the Insolvency and Bankruptcy Code (IBC). This business has been facing some challenges. It is being continued to have a link with the Insolvency Professional (IP), who is one of the pillars of the IBC. Incidentally the company as an Information Utility is also regarded as one of the pillars of the IBC

along with the IP, IBBI and the Adjudicating Authority. The contribution of this business to the overall revenue of the company is however, not very significant.

f. Regulatory Updates:

- IBBI issued its Circular dated 16th June, 2023 which advised that as a matter of general guidance the record of default issued by the information utility shall be appended with the application filed under sections 7 or 9 of the Code.
- During the last financial year, IBBI commenced sharing of data regarding CIRP applications filed under Section 7 or 9 of IBC as provided in Circular No.58 dated 4th March 2023. NeSL has complied with the requirements of this Circular by providing the Creditors of the Corporate Debtor, information in respect of 418 cases of CIRP applications.
- As per the provisions of Regulation 25 of IBBI (IU) Regulations, 2017, NeSL has made available for download, an Annual Statement to each registered user, containing personalized information relevant to the user, and can be accessed and downloaded free of charge by each registered user.
- As per the provisions of Regulation 11 of IBBI (IU) Regulations, 2017, NeSL has submitted its Annual Compliance Report to IBBI as at 31st March, 2024, confirming that NeSL-IU has complied with the requirements of the Code and the Regulations made thereunder.
- All the grievances received during the year by the company have been redressed and there were no pending complaints or grievances as at 31st March, 2024. The details of grievances received, redressed and pending during the previous year have been published on NeSL's Website, in compliance to IBBI (IU) Regulations, 2017.

Details of Grievances Received, Resolved and Pending as at 31st March 2024, year-wise are as under:

Financial Year	No. of Grievances Received	No. of Grievances Redressed	No. of Grievances Pending
2017-18	NIL	NIL	NIL
2018-19	NIL	NIL	NIL
2019-20	26	26	NIL
2020-21	144	144	NIL
2021-22	131	131	NIL
2022-23	197	197	NIL
2023-24	376	376	NIL

- As per the provisions of Regulation 36A of IBBI (IU) Regulations, 2017: NeSL has published statistical information, except for one report on "Currency-wise distribution of debt". This has now been published for the quarter ending June, 2024.
- As per the provisions of Regulation 34 of IBBI (IU) Regulations, 2017, Audit of information technology framework, interface and data processing systems for the FY 2023-24 was done by an external Auditor - M/s CDAC (Centre for Development of Advanced Computing), an R & D organization of the Ministry of Electronics & Information Technology, Government of India.

III. TECHNOLOGY UPDATES

- **Datacentre Managed Services:**

In order to support the growing business, the company is in the process of upgrading the IT infrastructure. The proposed infrastructure, encompassing compute, storage, network and security devices, will be as per upgraded specifications to ensure higher uptime availability, enhanced security and ability to scale up operations in anticipation of the business growth. The transition will ensure adequate support and maintenance and pre-empt concerns related to technology obsolescence.

This upgrade will also improve operational efficiency and enhance overall performance. By adopting state-of-the-art technology, we aim to deliver better service to our customers.

- **ISO 27001:2022 Security Certification:**

IBBI has issued the Guidelines for Technical Standards for The Performance of Core Services and Other Services under the IU Regulations, which provide for NeSL to consider Information Security standards such as ISO 27000 for adoption. NeSL had implemented Information Security Management System as per ISO/IEC 27001:2013 standards and obtained its certification in June 2021. The International Organization Standardisation (ISO) released update on ISO/IEC 27001 standards in October 2022. Even though ISO has provided three years period (till Oct 2025) for the transition, NeSL decided to upgrade to the ISMS as per the revised standard. This required a de novo review of the company's internal processes and controls which was then subject to an onsite external audit, followed by discussions with management. The company has now received the certification in May 2024 on the upgrade to new standards, i.e., ISO/IEC 27001:2022. This certification deals with Information Security Management Systems (ISMS) across all functions of the organization and covers both locations (Bengaluru & Mumbai). The company is committed to keeping the security standards high.

IV. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES:

The company actively supports initiatives in the sustainability and Healthcare segments as part of its Corporate Social Responsibility (CSR) activity. The company has associated itself with reputed institutions with the overall objective of ensuring end use of funds and timely implementation of projects. During the FY 2023-24 NeSL supported the following two activities:

Environmental Sustainability:

NeSL, as part of its CSR activity, strives to support initiatives to promote sustainability. During the year company supported IIM Bangalore (IIMB), one of the premier educational institutions in the country, in installing Rooftop solar panels to reduce dependency on traditional power sources and thus help in reducing carbon emission. The Solar power panels have been installed at a cost of Rs.59.96 lakhs and have capacity of generating 60 KWP power. The panels have been successfully installed and this initiative already is meeting almost 18% of the power requirement of IIMB.



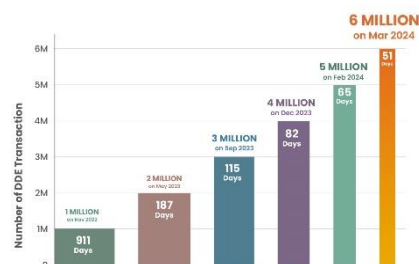
Healthcare:

Another area of focus is to assist institutions providing quality healthcare to underprivileged people of the society at reduced costs. During the year NeSL supported Sevakshetra Hospital, an established charity hospital and a unit of Canara Bank Relief and Welfare Society. It offers health services to the needy, underprivileged people at affordable cost. NeSL helped Sevakshetra in installing two dialysis machines at a cost of Rs. 24.33 lakhs.

V. OTHER IMPORTANT DEVELOPMENTS DURING THE YEAR

Momentum in DDE

NeSL's DDE found significant momentum during the last year. NeSL started the year with less than 2 Million transactions initiated on a cumulative basis, while, the number of transactions initiated had reached 6.02 million as on 31st March 2024. The significant growth can be attributed to DDE's contribution to the reduction in cost compared to the physical mode of document execution, its ease of execution, as also credibility of the company, being promoted by banks and other FIs, with a Board comprising of eminent persons. DDE is now being used by over 42 Banks and NBFCs across 27 states. With good acceptance in the BFSI segment, DDE has great potential as a universal contracting platform.

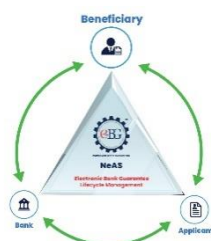


Expanding Presence of DDE

During the last year, 15 new Banks and NBFCs and 1 broking firm have been onboarded on NeSL's DDE to execute documents. 4 new states have also been onboarded for e-stamping services extending the tally to 27 states and UTs, with the remaining states and UTs in various stages of onboarding.

Extending the scope of DDE

The Demat Debit and Pledge Instruction (DDPI) is an exciting new use case for DDE. Sharekhan, one of India's large broking houses partnered with NeSL to fully digitise demat account opening. More broking firms are in various stages of integration.



Launch of NeAS

NeSL Enterprise Access Solution (NeAS) is an API based solution for beneficiaries of e-BGs to access their e-BGs in their own IT systems in a secure manner. It is suitable for large corporates with multiple users across different verticals. The users can be provided rights-based access as per company policy. As in all NeSL e-BGs, even in NeAS, beneficiaries receive real-time e-BG notifications and can also take actions in respect of life cycle events like extension, invocation, cancellation etc in digital mode. Since its launch, NeAS has successfully been deployed at ONGC, IOCL and HPCL.

Industry Events

The company participated in important industry events to bring about awareness about NeSL and explore business opportunities. Some of the notable events were: Insolvency Professionals' Conclave organised by IBBI at New Delhi, NCLT Colloquium at Mahabalipuram, World Fintech Show, Global Fintech Fest 2023 and IBA's Annual Banking Technology Conference. Apart from this, MD and CEO spoke about NeSL, DDE, e-BG and IP services at various other industry events.



VI. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

A report on the financial performance of each of the Subsidiaries, Associates and Joint Ventures included in the Consolidated Financial Statements is provided in Form AOC-1 (Annexure I) and forms part of this Report. The audited financial statements of all the subsidiaries are available on the website of the Company www.nesl.co.in

VII. PERFORMANCE OF SUBSIDIARY COMPANIES:

On March 31, 2024, the Company has 2 wholly owned subsidiaries and there has been no material change in the nature of the business of the subsidiaries. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). A brief on the wholly-owned subsidiary companies are as below:

(i) NESL Asset Data Limited (NADL):

NADL, an NBFC- Account Aggregator has commenced its commercial operations. The NADL platform has become data rich with RBI regulated banks, both public and private already live on the platform. This year, new data sources like Goods and Services Tax Network (GSTN), SEBI entities like NSDL, CDSL, Registrar and Transfer Agents (for mutual funds) and PFRDA entities like the Central Recordkeeping Agencies (for NPS accounts) have been made live adding to the richness of data availability. This has opened new avenues for SEBI and PFRDA regulated entities to onboard into the NADL ecosystem with a broad mix of innovative end use cases. NADL is now in the process of onboarding multiple FIUs across regulators. As per reliable industry data, NADL is in the top three Account Aggregators in India in terms of successful data fetches as well as wealth of information available on the platform.

The market for the AAs is highly competitive with large number of players. NADL has been loss making since its inception. NeSL has invested Rs.18 crore as on the date of this report to meet its working capital requirements and also to maintain the minimum NOF of Rs. 2 crores, which is one of the conditions of its registration with RBI.

(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 is currently rendering the CKYC services to Financial Institutions and their Offline KYC segment has been discontinued as most of the institutions had adopted KUA and AUA methodologies during the year. The Company's revenue from operations has increased during the year.

VIII. DIVIDEND:

The Directors are pleased to recommend a dividend of Re. 1 per share for the current financial year. The dividend if approved and declared in the forthcoming Annual General Meeting would result in a Dividend outflow of Rs.7.50 Crore.

IX. RESERVES:

The balance of the retained earnings, after appropriation and adjustments of the year was Rs. 140.64 Crores on a standalone basis.

X. 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.

XI. CHANGE IN THE NATURE OF BUSINESS:

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

XII. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

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.

XIII. 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, the company is taking all measure to conserve energy which is consumed in its normal course of 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

XIV. DIRECTORS AND KMP:

A. Appointments/Re-appointments/ resignations:

- i. Shri. B Sankar was appointed as Nominee Director representing State Bank of India w.e.f 17.10.2023 in place of Shri. Subrata Biswas who ceased to be Nominee Director w.e.f 19.09.2023.

- ii. Shri. Joydeep Dutta Roy representing Bank of Baroda ceased to be director w.e.f 31.01.2024
- iii. Shri. N S Vishwanathan was appointed as an additional director-Independent w.e.f 28.03.2024.
- iv. Shri. R Gandhi ceased to be an Independent Director and Chairman of the Board w.e.f. 17.04.2024 due to retirement.
- v. Shri. Atul Arora was appointed as Nominee Director representing ICICI Bank w.e.f 13.05.2024 in place of Shri. Ajay Kumar Gupta who ceased to be Nominee Director w.e.f 14.03.2024
- vi. Shri. Ashok Kumar Sharma was appointed as Nominee Director representing State Bank of India w.e.f 22.07.2024 in place of Shri B. Sankar, who ceased to be a nominee director w.e.f. 22.07.2024.

B. 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 and 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 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 proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

XV. CORPORATE SOCIAL RESPONSIBILITY:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company as part of its CSR initiatives has undertaken projects/programs in accordance with the CSR Policy as disclosed on the website of the company www.nesl.co.in. The details of the CSR activities are given as **Annexure 'III'** forming part of this Report.

XVI. EMPLOYEES

a. Particulars of Remuneration of Directors, KMPs and Employees

The Independent Directors and non-executive directors/nominee directors of the 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 the Managing Director & CEO of the Company, the following were paid:

Sl. No	Name	Period	Amt. (INR in Lakhs)
1	Shri. Debajyoti Ray Chaudhuri	01/04/2023 to 31/03/2024	99.23

b. 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.

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

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, the Company has constituted Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace. During the year under review no complaints were received by the Internal Complaints Committee.

XVII. GOVERNANCE/SECRETARIAL

A Report on Corporate Governance for the financial year ended 31st March 2024 is part of this Annual Report. In accordance with provisions of Section 134 of Companies Act, 2013 (Act) read with Rule 8 of the Companies (Accounts) Rules 2014 and also as part of governance, the directors wish to bring out the following:

a. Annual Return:

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013 read with the rules made thereunder, the Annual Return of the Company has been disclosed on the website of the Company.

b. Whistle Blower Policy:

The Whistle Blower Policy of the Company has been disclosed on the website of the Company. During the year under review the company/management has not received any whistle blower complaint from any person.

c. Board Performance 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 it and the management's ability to discharge the duties enjoined upon them. The Independent Directors also separately met once on 28th March 2024 and took note of the situation/affairs of the company.

d. 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, the company does not envisage any major threat to its existence, emanating from its operations.

The Company being a 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.

e. Independent Director:

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.

f. 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.

g. Deposits from Public:

The 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.

h. Particulars of Loans, Advances, Guarantees and Investments under section 186:

The company has two wholly owned subsidiaries in which it holds investment by way of their respective Share Capital as under as on 31st March, 2024:

(in INR)

Sl No	Name of the Company	Amount invested
1.	NESL Asset Data Limited (NADL)	15,00,00,000
2.	NESL E Infrastructure Limited (NEIL)	1,00,00,000

The Company did not give any loans, advances and has not provided any guarantees to any other corporates. It maintained term deposits/investments with scheduled banks/mutual funds and also invested in selected State Government bonds.

i. Significant and Material Orders passed by the Regulators

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year impacting the going concern status and the operations of the Company in future.

XVIII. AUDITORS:

a. Statutory Auditors:

As per the advice and directions of the C&AG of India vide its letter dated 18th September 2023 M/s B S D, Chartered Accountants (bearing FRN 000312S), were appointed as the Statutory Auditors of the company for the Financial year 2023-24 by the Board of Directors on 6th November 2023 and they will hold the office till the conclusion of the ensuing Annual General Meeting. 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 2024-25. The company will appoint the auditors based on the recommendation of the C&AG.

The Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company. The Standalone Statutory Auditors Report does not contain any qualifications, reservations or adverse remarks on the Standalone financial statements of the Company for financial year 2023-24

b. Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. Chartered Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2023-2024. The Secretarial Audit Report for the financial year 2023-24 does not contain any adverse remark, qualification or reservation. The Secretarial Audit Report for financial year 2023-24 is given as part of this Report.

c. Internal Auditors:

In accordance with the provisions of Section 138 of Companies Act, 2013, the Company has appointed, M/s. Price Waterhouse Coopers India, Chartered Accountant firm as Internal Auditors of the Company for the FY 2023-24.

d. Reporting of Frauds by Auditors

During the year under review, the Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013.

e. Report under Regulation 34 of IBBI (IU) Regulations, 2017:

Regulation 34 of the IBBI (IU) Regulations, 2017, provides that an IU shall appoint an external auditor to audit its information technology framework, interface and data processing systems every year. Accordingly, M/s. CDAC, a Central Government Organization based at Pune were appointed as Auditors in this regard. The report submitted was considered by the Board and as provided in the Regulations, it was submitted to IBBI.

f. C&AG Report

The company shall send the financials along with the Statutory Auditors report to the C&AG for their supplementary report/review, which on receipt will be placed at the Annual General Meeting of the Company.

XIX. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There were no applications or any proceedings pending under the Insolvency & bankruptcy Code, 2016 during the year under review.

XX. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The Company has not obtained any loans from Banks or Financial Institutions.

XXI. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with the applicable Secretarial Standards issued by the "Institute of Company Secretaries of India".

Report on Corporate Governance

I. Board Aspects:

1.1 Composition of the Board & KMP:

The Board comprised of the following directors as on date of the report:

SI No	Name of Director	Designation	DIN	Date of Appointment	Date of Cessation
1	Shri. Ramasubramaniam Gandhi*	Independent Director	03341633	17/04/2018	16/04/2024
2	Smt. Sudha Krishnan	Independent Director	02885630	15/02/2022	-
3	Shri. Parameswaran Pillai Naga Prasad	Independent Director	07430506	15/02/2022	-
4	Shri. Rajesh Doshi	Independent Director	00059903	07/05/2022	-
5	Shri. N S Vishwanathan*	Additional Director - Independent	09568559	28/03/2024	-
6	Shri. Subrata Biswas**	Nominee Director (SBI)	09402920	07/05/2022	19/09/2023
7	Shri. B Sankar**	Nominee Director (SBI)	08846754	17/10/2023	22/07/2024
8	Shri. Ajay Kumar Gupta #	Nominee Director (ICICI Bank)	07580795	16/07/2022	14/03/2024
9	Shri J S Tolia	Nominee Director (LIC)	09617044	06/06/2023	-
10	Shri Joydeep Dutta Roy ##	Nominee Director (Bank of Baroda)	08055872	16/06/2023	30/01/2024
11	Shri Atul Arora#	Nominee Director (ICICI Bank)	01999097	13/05/2024	-
12	Shri. Ashok Kumar Sharma***	Nominee Director (SBI)	09832521	22/07/2024	-
13	Shri. Debajyoti Ray Chaudhuri	Managing Director & CEO	09242571	18/08/2021	-

*Shri. N S Vishwanathan replaced Shri. R. Gandhi who retired on 16th April, 2024 and was appointed as Chairman of the Board.

** Shri. B. Sankar replaced Shri. Subrata Biswas, w.e.f. 17th October, 2023 as Nominee Director, due to his retirement from the services of SBI.

*** Shri. Ashok Kumar Sharma replaced Shri. B. Sankar w.e.f. 22nd July, 2024 due to his retirement from the services of SBI;

Shri. Atul Arora replaced Shri. Ajay Kumar Gupta, w.e.f. 13th May, 2024 due to his elevation as Executive Director of ICICI Bank.

Shri Joydeep Dutta Roy resigned from the directorship due to his demission of his services from Bank of Baroda w.e.f. 30st January, 2024.

1.2 KMPs of the company:

Sl No	Name of KMP	Designation	Date of Appointment	Date of Resignation/Retirement
1	Shri. Debajyoti Ray Chaudhuri	Managing Director & CEO	18/08/2021	-
2	Smt. Nivedita E P	Executive Director & CRO	15/03/2023	-
3	Shri. Vinod Shenoy M	Chief Financial Officer	11/07/2018	-
4	Smt. S Padmavathy	Company Secretary	01/10/2022	-

1.3 Meetings of the Board:

The Board met four times during the financial year:

Sl. No.	Date of Meeting	No of Directors eligible to Attend	No of Directors attended	No of Directors not attended
1	14 th June 2023	8	8	-
2	1 st September 2023	9	7	2
3	18 th December 2023	9	8	1
4	28 th March 2024	7	7	-

1.4 Attendance of Directors:

Details of attendance of Directors at the Board Meetings held during the financial year 2023-2024 are provided below:

Sl No	Name of Director	Designation	No of Meetings attended
1	Shri. Ramasubramaniam Gandhi	Independent Director	4
2	Smt. Sudha Krishnan	Independent Director	4
3	Shri. P N Prasad	Independent Director	4
4	Shri. Rajesh Doshi	Independent Director	4
5	Shri. N S Vishwanathan	Additional Director	1
6	Shri Subrata Biswas	Nominee Director (SBI)	1
7	Shri Ajay Kumar Gupta	Nominee Director (ICICI)	3
8	Shri. B Sankar	Nominee Director (SBI)	2
9	Shri. J S Tolia	Nominee Director (LIC)	4
10	Shri. Joydeep Dutta Roy	Nominee Director (BOB)	0
11	Shri. Debajyoti Ray Chaudhuri	MD & CEO	4

1.5 Independent Directors Meeting held on 28th March 2024

Sl No.	Name of Director	Designation	Attendance
1	Shri. Ramasubramaniam Gandhi	Independent Director	Attended
2	Smt. Sudha Krishnan	Independent Director	Attended
3	Shri. P N Prasad	Independent Director	Attended
4	Shri. Rajesh Doshi	Independent Director	Attended

1.6 The 7th Annual General Meeting of the Company was held on 29th September 2023 and following directors attended the AGM:

Sl No	Name of the Director	7 th AGM
1	Shri. Ramasubramaniam Gandhi	Attended
2	Smt. Sudha Krishnan	Attended
3	Shri. P N Prasad	Attended
4	Shri. J S Tolia	Attended
5	Shri. Debajyoti Ray Chaudhuri	Attended

II. Committees of the Board:

The Board has formed various committees as required under the provisions of the Act. Accordingly, the following committees have been constituted:

2.1 Audit Committee:

2.1.1 Composition of the Committee:

The Audit Committee of the company consisted of the following members as on date of the report:

Sl. No.	Name of the Director	Designation
1	Smt. Sudha Krishnan	Chairperson
2	Shri. N S Vishwanathan*	Member
3	Shri. Ashok Kumar Sharma**	Member

** Shri. B. Sankar replaced Shri. Subrata Biswas w.e.f. 17th October, 2023 and Shri. Ashok Kumar Sharma replaced Shri. B. Sankar w.e.f. 22nd July, 2024 as a member.

*Shri. N S Vishwanathan replaced Shri. R. Gandhi w.e.f. 16th April, 2024 as a 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 twice during the reporting period:

SI No	Date of Meeting	No of Directors eligible to Attend	No of Directors attended	No of Directors not attended
1	1 st September 2023	3	2	1
2	24 th January 2024	3	3	-

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	Shri. Ramasubramaniam Gandhi	Independent Director	2
2	Smt. Sudha Krishnan	Independent Director	2
3	Shri. Subrata Biswas	Nominee Director (SBI)	-
4	Shri. B Sankar	Nominee Director (SBI)	1

2.2 Nomination and Remuneration Committee:

2.2.1 Composition of the Committee:

The Nomination & Remuneration Committee consists of following members as on date of the report:

SI No.	Name of the Director	Designation
1	Shri. P N Prasad	Chairman (Independent Director)
2	Shri. N S Vishwanathan *	Member (Independent Director)
3	Shri. J.S. Tolia**	Member (Nominee Director-LIC)

*Shri. N S Vishwanathan replaced Shri. R. Gandhi w.e.f. 16th April, 2024 as a member.

**Shri. J S Tolia replaced Shri. Ajay Kumar Gupta w.e.f. 28th March, 2024 as a member.

2.2.2 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;
- Review stockholder proposals relating to Board's composition and recommend an appropriate course of action;
- Review key corporate governance processes not specifically assigned to other committees, and recommend changes needed to ensure that the company is at best practice;
- 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.

2.2.3 Meetings of the Nomination and Remuneration Committee:

The Committee 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	14 th June 2023	3	3	-
2	27 th September 2023	3	3	-
3	18 th December 2023	3	3	-
4	23 rd February 2024	3	3	-

2.2.4 Attendance of Directors:

Details of attendance of Directors at the Nomination and Remuneration Committee Meetings held during the year 2023-24, are provided below:

SI No	Name of Director	Designation	No of Meetings attended
1	Shri. P N Prasad	Independent Director	4
2	Shri. Ramasubramaniam Gandhi	Independent Director	4
3	Shri. Ajay Kumar Gupta	Nominee Director (ICICI Bank)	4

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	Shri. N S Vishwanathan *	Chairman, Independent Director
2	Shri. P N Prasad	Member, Independent Director
3	Smt. Sudha Krishnan	Member, Independent Director
4	Shri. Ashok Kumar Sharma **	Member, Nominee Director, SBI

*Shri. N S Vishwanathan replaced Shri. R. Gandhi w.e.f. 16th April, 2024 as a member.

* Shri. B. Sankar replaced Shri. Subrata Biswas w.e.f. 17th October, 2023 and Shri. Ashok Kumar Sharma replaced Shri. B. Sankar w.e.f. 22nd July, 2024 as a member.

2.3.2 Terms of Reference:

The Committee shall *inter alia* be responsible for:

- a) 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.
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time.
- d) Monitor the amount approved by the Board is spent for the purpose and report the same to the Board.

2.3.3 Meetings of the Corporate Social Responsibility Committee:

The Committee met once during the financial year:

Sl No.	Date of Meeting	No of Directors eligible to Attend	No of Directors attended	No of Directors not attended
1	27 th September 2023	3	3	-

2.3.4 Attendance of Directors:

Details of attendance of Directors at the Corporate Social Responsibility Committee Meetings held during the year 2023-24, are provided below:

Sl. No.	Name of Director	Designation	No. of Meetings attended
1	Shri. Ramasubramaniam Gandhi	Independent Director	1
2	Shri. P N Prasad	Independent Director	1
3	Smt. Sudha Krishnan	Independent Director	1
4	Shri. Subrata Biswas	Nominee Director, SBI	-

2.4 Investment Committee

2.4.1 Composition of the Committee:

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

Sl No	Name of the Director	Designation
1	Shri. Ashok Kumar Sharma *	Chairman, Nominee Director, SBI
2	Shri. J S Tolia	Member, Nominee Director, LIC
3	Shri. Debajyoti Ray Chaudhuri	Member, MD & CEO
4	Shri. Vinod M Shenoy	Member, CFO

* Shri. B. Sankar replaced Shri. Subrata Biswas w.e.f. 17th October, 2023 and Shri. Ashok Kumar Sharma replaced Shri. B. Sankar w.e.f. 22nd July, 2024 as the Chairman.

2.4.2 Terms of Reference:

The Committee shall *inter alia* be responsible for:

- a) To review the investments of the company.
- b) To advise on the investments as per the investment policy of the company.

2.4.3 Meetings of the Investment Committee:

The Committee met once during the financial year:

Sl No.	Date of Meeting	No of members eligible to Attend	No of members attended	No of members not attended
1	26 th March 2024	4	4	-

2.4.4 Attendance of Directors:

Details of attendance of Directors at the Investment Committee Meeting held during the year 2023-24, are provided below:

Sl. No.	Name of Director	Designation	No. of Meetings attended
1	Shri. B Sankar	Chairman, Nominee Director, SBI	1
2	Shri. J S Tolia	Member, Nominee Director, LIC	1
3	Shri. Debajyoti Ray Chaudhuri	Member, MD & CEO	1
4	Shri. Vinod M Shenoy	Member, CFO	1

III. 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/-	Sd/-
Date: 20 th August 2024	Debajyoti Ray Chaudhuri	N. S. Vishwanathan
Place: Bengaluru	DIN: 09242571	DIN: 09568559

ANNEXURE-I

Form No. 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

(Rs. in lakhs.)

Sl. No.	Particulars	NeSL Asset Data Limited (NADL)	NeSL E Infrastructure Limited (NEIL)
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2023 To 31-03-2024	01-04-2023 To 31-03-2024
2	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA
3	Share capital	1500	100
4	Reserves & surplus	(697)	59
5	Total assets	934	290
6	Total Liabilities	130	130
7	Investments	-	-
8	Turnover	75	72
9	Profit before taxation	(319)	(10)
10	Provision for taxation	77	3
11	Profit after taxation	(242)	(7)
12	Proposed Dividend	-	-
13	% 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 - NA
- Names of subsidiaries which have been liquidated or sold during the year - NA

Part "B": Associates and Joint Ventures - NA

For and on behalf of the Board of National E-Governance Services Limited		
	Sd/-	Sd/-
Date: 20 th August 2024	Debajyoti Ray Chaudhuri	N. S. Vishwanathan
Place: Bengaluru	DIN: 09242571	DIN: 09568559

Annexure-II

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	NADL Details	NEIL Details
a.	Name (s) of the related party & nature of relationship	NESL Asset Data Limited, Wholly Owned Subsidiary	NESL E-Infrastructure Limited, Wholly Owned Subsidiary
b.	Nature of contracts/arrangements/transaction	Providing support services	Providing support services
c.	Duration of the contracts/ arrangements/ transaction	1 st April 2023 to 31 st March 2024	1 st April 2023 to 31 st March 2024
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	Billed annually by NeSL: Rs. 16.16 Lakhs Billed annually by NADL Rs. 0.02 Lakhs	Billed annually by NeSL: Rs. 11.44 Lakhs Billed annually by NEIL Rs. 264.19 Lakhs
e.	Date of approval by the Board	1 st September 2023	1 st September 2023
f.	Amount paid as advances, if any	-	-

For and on behalf of the Board of National E-Governance Services Limited		
	Sd/-	Sd/-
Date: 20 th August 2024	Debajyoti Ray Chaudhuri	N. S. Vishwanathan
Place: Bengaluru	DIN: 09242571	DIN: 09568559

Annexure - III

NATIONAL E-GOVERNANCE SERVICES LIMITED

CIN: U72900MH2016GOI282855

Regd. Office, 4th Floor, Gresham Assurance House, Sir PM Road, Fort, Mumbai 400001.

Administrative Office: Fifth Floor, #121 "The Estate", Dickenson Road, Bangalore 560042

The Annual Report on CSR Activities forming part of the Board's Report for the Financial Year 2023-24

1. Brief outline on CSR Policy of the Company.: The CSR Policy of the company as approved by the Board of Directors mention that, the amount determined for CSR spending shall be spent for the following health projects:
 1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
 2. Ensuring environmental sustainability, ecological balance, protection of flora & Fauna, animal welfare, agroforestry, conservation of natural resources, & maintaining quality of soil, air & water (including contribution to Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga)
 3. In addition to the above listed items the company shall have the omnibus item for contributing to PMCARES fund or PM Relief Fund as an option.
2. Composition of CSR Committee: The Committee is comprising of following members:

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	Shri. N S Vishwanathan*	Chairman & Independent Director	1	0
2	Shri. P N Prasad	Member & Independent Director	1	1
3	Smt. Sudha Krishnan	Member & Independent Director	1	1
4	Shri. Ashok Kumar Sharma**	Member & Nominee Director (SBI)	1	0

* Appointed as director on 28/03/2024

** Appointed as director on 22/07/2024

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

3. 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

4. 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	-	-	-
	Total	-	-

5. Average net profit of the company as per section 135(5) - Rs 42,14,70,350 /-
6. (a) Two percent of average net profit of the company as per section 135(5)- Rs. 84,29,407/-
 (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 84,29,407/-
7. (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).		
84,29,407.00	Amount. NIL	Date of transfer.	Name of the Fund	Amount. NIL	Date of transfer.
		-	-		-

- (b) Details of CSR amount spent against ongoing projects for the financial year: NA

(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.

(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	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care" and sanitation	Sub Clause (i) of Schedule VII	Yes	Karnataka,	Bangalore	24,33,407.00	Yes	Canara Bank relief & Welfare Society	CSR00006960
2	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Sub Clause (iv) of Schedule VII	Yes	Karnataka,	Bangalore	59,96,000	Yes	Indian Institute of Management	CSR00003458
	Total					Rs 84,29,407.00			

(d) Amount spent in Administrative Overheads -NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- **Rs 84,29,407.00/-**

(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)	Rs 84,29,407.00
(ii)	Total amount spent for the Financial Year	Rs 84,29,407.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(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

8. (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	-	-	-	-	-	-	-
	Total						

(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	-	-	-	-	-	-	-	-
	Total							

9. 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 – **NIL**

10. 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**

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

Sd/-	Sd/-
Debajyoti Ray Chaudhuri (Managing Director & CEO) DIN: 09242571	N. S. Vishwanathan (Chairman of CSR Committee) DIN: 09568559



ANKUSH SETHI
Company Secretary in Practice

Form No. MR – 3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024**

*[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
Reg Off: Gresham Assurance House,
4th Floor, Sir PM Road, Fort Mumbai,
Mumbai City – 400 001

I 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 **31st March 2024** ('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.

It is further to be noted that all the records of the Company are maintained at the **Corporate Office** of the Company, situated at 5th Floor, The Estate Building, 121 Dickenson Road, Bengaluru 560 042, and the requisite filings towards the same have been complied.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended 31st March, 2024 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.

I have examined books and papers, minutes books, forms and returns filed and other records maintained by the Company for the Financial Year ended 31st March, 2024 according to the provisions of:

- (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 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.**

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Contact No: +91-90368 06925 || **E-mail id:** cs.ankushsethi@gmail.com



- (iv) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (v) Goods and Services Act 2017 – **to the extent of filing of returns.**
- (vi) Income Tax Act 1962 - **to the extent of filing of returns**
- (vii) Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017
- (viii) The Information Technology Act, 2000

I have also reviewed the systems and mechanisms established by the Company for ensuring compliances under other Applicable Acts, Laws, Rules, Regulations, Guidelines, applicable to the Company and categorized under the following:

1. Air (Prevention and Control of Pollution) Act, 1961
2. Water (Prevention and Control of Pollution) Act, 1974
3. The Water (Prevention and Control of Pollution) Cess Act, 1977
4. Environment (Protection) Act 1986
5. Consumer Protection Act, 1986
6. Maternity Benefit Act
7. Payment of Bonus Act, 1956
8. Payment of Wages Act, 1936

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

- (i) 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.
- (ii) 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 period under review, the Company has, *other than as provided in annexure to this report*, complied with provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I 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.
- The Company has constituted following committees:
 - Audit Committee
 - CSR (Corporate Social Responsibility) Committee
 - Nomination and Remuneration Committee
- Changes in the composition of Board of Directors (and as Consequence to the Committees) that took place during the audit period were carried out in compliance with provisions of the Act.
- All decisions of the Board and Committee thereof were carried with requisite majority.
- The minutes of all the meeting(s) are properly maintained.
- Owing to organization structure; adequate notice has been served for the Board Meetings, and requisite Agenda papers are circulated in advance.



ANKUSH SETHI
Company Secretary in Practice

I further report that:

Based on review of compliance mechanism established by the Company, there are adequate systems and processes in place in the Company which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I 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.

Date: 20.08.2024

Place: Bengaluru

Ankush Sethi

Mem No: F12836

C.P. No: 15741

UDIN: F012836F001147112



ANKUSH SETHI
Company Secretary in Practice

Annexure A

To,
The Members,
National E Governance Services Limited
CIN: U72900MH2016GOI282855
Reg Off: Gresham Assurance House,
4th Floor, Sir PM Road, Fort Mumbai,
Mumbai City – 400 001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, Income Tax Returns and GST Returns.
4. Wherever required, I have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 20.08.2024
Place: Bengaluru

Ankush Sethi
Mem No: F12836
C.P. No: 15741
UDIN: F012836F001147112

BSD & CO.

Chartered Accountants

Head Office:

No 14/3, 10th 'C' Main,
Jayanagar 1st Block, Bengaluru- 560 011, India.



Tel: 080- 4851 7108/ 4218 4686

E-mail: bangalore@bsdgroup.in

REVISED INDEPENDENT AUDITORS' REPORT

To the members of M/s. National E-Governance Services Limited:

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of **M/s. National E-Governance Services Limited** ("the company"), which comprise the Balance Sheet as at 31st March 2024, 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 March 31, 2024, and its profit (including other comprehensive loss). Changes in Equity and its cash flows for the year ended on that date.

We have issued an Audit Report dated 20th August 2024 (the original report) at Bangalore on the financial statements as adopted by the Board of Directors on even date. Pursuant to the observation of Comptroller and Auditor general of India under section 143(6)(a) of the Companies Act, 2013, we have revised the said Audit Report. The revised report has no impact on the reported figures in the financial statements of the company. This audit report supersedes the original report which has been suitably revised to consider observations of Comptroller and Auditor General of India.

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 on the Standalone Financial statements.

Branches:

No.810, Antriksh Bhawan, 22, Kasturba Gandhi Marg,
New Delhi – 110 001.

No.201, Lakshya Enclave, 15/3, Old Palasia,
Indore – 452 001.

Key Audit Matters

We have determined that there are no Key audit matters to comment in our Report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report (including Annexures to Board's Report), but does not include the standalone financial statements and our auditors' report thereon. The Boards' Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it is made available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our 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.

Management's Responsibility for the 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 the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.

As part of an audit in accordance with Standards on Auditing (SAs), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 financial 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 the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

where applicable, related safeguards.

Other Matters

Our Audit Report dated 20th August, 2024 having UDIN: 24230591BKADBC4195 is revised in response to the comments of the Comptroller and Auditor General of India dated 24th October, 2024. Based on comments of the Comptroller and Auditor General of India, we have made the following changes in our Audit Report.

1. Compliance to direction 1 has been elaborated by mentioning that there are no financial implications of processing of accounting transactions outside the IT system.

Report on Other Legal and Regulatory Requirements

- 1) In our opinion, the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "**Annexure A**" statement of 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 except for the matters stated in paragraph h(vi) below on reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of changes in Equity and Statement of Cash Flows dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2024 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**”
- (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 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.
 - iv. The management has represented that, to the best of its knowledge and belief:
 - a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) No funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries, and
 - c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused

them to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

- v. No dividend has been declared or paid during the year by the company.
- vi. (a) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31 March, 2024, which has feature of recording audit trail (edit log) facility. However, the audit trail feature can be disabled at the option of the management and same is not in compliance of the proviso to Rule 3(1) of the companies (Accounts) Rules, 2014. However, we did not come across any instance of the audit trail feature being tampered with, during the course of our audit.
- (b) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
- 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 B S D & Co.,
Chartered Accountants
Firm Registration No: 000312S

Date: 19-11-2024
Place: Bengaluru

Rishav Saraf
Partner
Membership No: 230591
UDIN: 24230591BKADGX3787

“ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on other Legal and Regulatory Requirements’ section of our report to the Members of National E-Governance Services Limited on even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we saw that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including details and situation of property, Plant and Equipment and relevant details of right-to-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such physical verification. In our opinion, the frequency of verification of the Property, Plant and Equipment 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.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) There are no Proceedings initiated during the year or pending against the Company as at March 31,2024 for holding any benami property under the Benami Transactions (Prohibition) Act,1988(as amended in 2016) and rules thereunder.
- (ii)(a) The nature of activity carried upon by the Company does not entail to hold any inventory. Accordingly reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned any working capital limit from banks or financial institutions on the basis of security of current assets at any point of time during the year, hence reporting under clause 3(ii)(b) of the Order is not applicable
- (iii) Based on our examination of records and according to the information and explanations given to us, the company has made investment in a subsidiary company during the year and not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any Other Parties, in respect of which:
 - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable.
 - (b) In our opinion, the investment made during the year are, prima facie, not prejudicial to the Company’s interest.
- (iv) In our opinion and according to the information and explanations given to us, the

Company has not given any loan or given any guarantee or security in respect of which provisions of sections 185 and 186 of the Act are applicable. In respect of the investment made in the subsidiary, the provisions of Section 185 and 186 are complied with.

- (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 the 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, through there have been slight delays in few cases.

According to the information and explanations given to us 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 March 31,2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence, reporting under Clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) Based on our examination of records of the Company and according to the information and explanations given to us, the Company did not raise any funds during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised money by way of initial public offer or further public offer

- (including debt instruments). Hence, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under Sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion, the Company is not 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 financial statements as required by the applicable accounting standards.
- (xiv)(a) In our opinion the Company has adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (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) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities, hence, reporting under clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

B S D & CO.

Chartered Accountants



- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios disclosed in note 38 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing as on the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer of Fund specified in schedule VII to the Act or special account in compliance with provision of sub-section (6) of section 135 of said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For B S D & Co
Chartered Accountants
Firm Reg No: 000312S

Date: 19-11-2024
Place: Bengaluru

Rishav Saraf
Partner
Membership No: 230591
UDIN: 24230591BKADGX3787

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal 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 the 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 March 31, 2024 in conjunction with our audit of the 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 India 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 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 reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and is such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial Controls 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 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 financial statements for external purpose 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal financial controls over financial reporting to future periods are subject to the risk that the Internal financial 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material aspects, adequate internal financial controls over financial reporting and such controls were operating effectively as at March 31, 2024, 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 B S D & Co
Chartered Accountants
Firm Reg. No: 000312S

Date: 19-11-2024
Place: Bengaluru

Rishav Saraf
Partner
Membership No: 230591
UDIN: 24230591BKADGX3787

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 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 is using the BDO India LLP e-invoicing tool and Webtel e-invoicing tool along with other computer programmes to process all the accounting transactions electronically. Transactions from the above software are then posted manually in the accounting software used by the Company. However, there are no financial implications of processing of accounting transactions 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. Whether such case are properly accounted for? (In case, the lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company).	The Company has not availed any facilities from Banks/ Financial Institutions during the year under audit and in the previous year. Hence restructuring of an existing loan or cases if waiver/ write off to debts/loans/interest etc does not arise.
3	Whether funds (grants/subsidiary etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for utilized as per its terms and conditions? List the cases of deviation.	No funds (grants/subsidy etc.) were received for specific schemes from Central/State Government or its Agencies by the Company.

For B S D & Co
Chartered Accountants
Firm Registration No: 000312S

Date: 19-11-2024
Place: Bengaluru

Rishav Saraf
Partner
Membership No: 230591
UDIN: 24230591BKADGX3787

C&AG COMMENTS ON STANDALONE FINANCIAL STATEMENTS

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 2024

The preparation of financial statements of National E-Governance Services Limited for the year ended 31 March 2024 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 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 Revised Audit Report dated 19 November 2024 which supersedes their earlier Audit Report dated 20 August 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of National E-Governance Services Limited for the year ended 31 March 2024 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of National E-Governance Services Limited. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. After the audit, comment of C&AG was issued on the Statutory Auditor for not commenting on the financial implication of processing of accounting transactions outside IT system in the independent Auditors Report. Based on the comments, the Statutory Auditors have included the comments on the financial implications of processing of accounting transactions outside IT system as part of compliance to Directions to C&AG issued under Section 143(5) of the Companies Act 2013 in their revised Independent Auditor's Report.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to comment upon or supplement to revised statutory auditor's report under Section 143(6) (b) read with section 129(4) of the Act.

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

Sd/-
(Sandip Roy)
Director General of Audit (Shipping), Mumbai

Place: Mumbai

Date: 29.11.2024

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Standalone Balance Sheet as at March 31, 2024

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

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, Plant and Equipment	4	73	80
Right-of-use assets	7	578	646
Other intangible assets	5	49	61
Intangible assets under development	8	-	-
Financial assets			
Investments	9	6,669	3,941
Other financial assets	11	4,617	2,361
Deferred tax assets (net)	22	144	103
Other non-current assets	14	12	16
Total non-current assets		12,142	7,208
Current assets			
Financial assets			
Investments	9	777	341
Trade receivables	10	5,515	4,649
Cash and cash equivalents	12	2,738	1,294
Bank balances other than cash and cash equivalents	13	10,853	11,999
Other financial assets	11	13	4
Current tax assets (net)	22	485	238
Other current assets	14	150	116
Total current assets		20,531	18,641
Total assets		32,673	25,849
Equity and liabilities			
Equity			
Equity share capital	16	7,500	7,500
Other equity	17	14,064	9,263
Total equity		21,564	16,763
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	7	494	519
Provisions	20	215	203
Other non-current liabilities	21	3,126	2,299
Total non-current liabilities		3,835	3,021
Current liabilities			
Financial liabilities			
Lease liabilities	7	137	200
Trade payables			
a) Total outstanding dues of micro and small enterprises	19	3	4
b) Total outstanding dues of creditors other than micro and small enterprises	19	448	234
Other financial liabilities	18	523	301
Other current liabilities	21	6,063	4,990
Provisions	20	100	102
Current tax liabilities (net)	22	-	234
Total current liabilities		7,274	6,065
Total liabilities		11,109	9,086
Total equity and liabilities		32,673	25,849

The above Balance Sheet should be read in conjunction with the accompanying notes.

This is the Balance Sheet referred to in our report of even date.

For BSD & CO

 Chartered Accountants
 Firm registration number: 000312S

 Rishav Saraf
 Partner
 Membership No: 230591

 Date: 20 August 2024
 Place: Bangalore

For and on behalf of the Board of Directors of

National E-Governance Services Limited

 N.S. Vishwanathan
 Director
 DIN: 09568559

 Debajyoti Ray Chaudhuri
 Managing Director & CEO
 DIN: 09242571

 Vinod Shenoy M.
 Chief Financial Officer
 Date: 20 August 2024
 Place: Bangalore

 Nivedita E.P.
 Executive Director & CRO

 Padmavathy S.
 Company Secretary
 M.No: A37997

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Standalone statement of Profit and Loss for the year ended March 31, 2024

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

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	23	10,515	8,118
Other income	24	1,237	832
Total income		11,752	8,950
Expenses			
Cost of services	25	2,043	969
Employee benefit expenses	30	2,012	1,671
Finance costs	26	43	60
Depreciation and amortization expense	27	238	613
Impairment loss/(reversal of impairment)	28	-	(273)
Provision/(reversal of provision) for onerous contract	20	-	(580)
Other expenses	29	996	557
Total Expenses		5,332	3,017
Profit before tax		6,420	5,933
Tax expense			
Current tax	22	(1,652)	(1,371)
Adjustments of tax relating to previous year	22	-	(1)
Deferred tax	22	39	(97)
Total tax expense		(1,613)	(1,469)
Profit for the year		4,807	4,464
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurements of defined benefit plan actuarial gains/ (losses)	30	(8)	(12)
Income tax relating to these items	22	2	3
Total other comprehensive income/(loss), net of tax		(6)	(9)
Total comprehensive income for the year		4,801	4,455
Earning per equity share of face value of Rs.10 each			
Basic (amount in ₹ per share)	31	6.41	5.95
Diluted (amount in ₹ per share)	31	6.41	5.95

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Statement of Profit and Loss referred to in our report of even date.

For BSD & CO

Chartered Accountants

Firm registration number: 000312S

Rishav Saraf

Partner

Membership No: 230591

Date: 20 August 2024

Place: Bangalore

For and on behalf of the Board of Directors of

National E-Governance Services Limited

N.S. Vishwanathan

Director

DIN: 09568559

Debjyoti Ray Chaudhuri

Managing Director & CEO

DIN: 09242571

Vinod Shenoy M.

Chief Financial Officer

Date: 20 August 2024

Place: Bangalore

Nivedita E.P.

Executive Director & CRO

Padmavathy S.

Company Secretary

M.No: A37997

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Standalone Statement of Changes in Equity for the year ended March 31, 2024

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

a) Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos. in Lakhs	Amount	Nos. in Lakhs	Amount
At the beginning of the year	750	7,500	750	7,500
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	750	7,500	750	7,500
Changes in equity share capital during the year	-	-	-	-
At the end of the year	750	7,500	750	7,500

Refer note 16, for equity shareholders holding of 5% or more and promotor shareholding

b) Other equity

Particulars	Retained earnings	Total
Balance as at April 1, 2022	5,558	5,558
Changes in accounting policy or prior period errors	-	-
Restated balance at the April 1, 2022	5,558	5,558
Profit for the year	4,464	4,464
Other comprehensive income/(loss)	(9)	(9)
Dividends:		
Interim dividend (2022-23 @ Rs 1 per share)	(750)	(750)
Balance as at the year ended March 31, 2023	9,263	9,263
Balance as at April 1, 2023	9,263	9,263
Changes in accounting policy or prior period errors	-	-
Restated balance at the April 1, 2023	9,263	9,263
Profit for the year	4,807	4,807
Other comprehensive income/(loss)	(6)	(6)
Balance as at the year ended March 31, 2024	14,064	14,064

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Statement of Changes in Equity referred to in our report of even date.

For BSD & CO

Chartered Accountants
Firm registration number: 000312S
Rishav Saraf
Partner
Membership No: 230591

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

N.S. Vishwanathan
Director
DIN: 09568559

Debajyoti Ray Chaudhuri
Managing Director & CEO
DIN: 09242571

Nivedita E.P.
Executive Director & CRO

Date: 20 August 2024
Place: Bangalore

Vinod Shenoy M.
Chief Financial Officer
Date: 20 August 2024
Place: Bangalore

Padmavathy S.
Company Secretary
M.No: A37997

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Standalone Statement of Cash Flows for the year ended March 31, 2024

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

Accounting policy:

Cash flows are reported using the indirect method as set out in Ind AS 7, 'Statement of Cash Flows', whereby profit/(loss) for the year before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be classified as cash equivalents.

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities			
Profit for the year		6,420	5,933
Adjustments for:			
Depreciation and amortization expense		238	613
Profit from sale of mutual funds		(31)	-
(Gain)/Loss on fair value restatement of mutual funds		(5)	(18)
Interest income from fixed deposits		(888)	(699)
Interest income from government securities		(309)	(106)
Finance costs		43	44
Impairment loss		-	(273)
Provision for onerous contract		-	(580)
Assets written off *		-	-
(Profit)/loss on sale of assets		-	(3)
Insurance claim received in excess of w.d.v of lost asset		-	-*
Gain on lease modification		1	5
<i>Change in operating assets & liabilities</i>			
(Increase)/decrease in trade receivables		(866)	(1,531)
(Increase)/decrease in other financial assets		(2)	9
(Increase)/decrease in other assets		(30)	(50)
Increase/(decrease) in trade payables		213	49
Increase/(decrease) in other financial liabilities		221	169
Increase/(decrease) in other liabilities		1,901	1,946
Increase/(decrease) in provisions		2	16
Cash generated from operations		6,908	5,524
Income taxes paid		(2,133)	(1,421)
Net cash inflow from operating activity		4,775	4,103
Cash flow from investing activities			
Purchase of property plant and equipment		(24)	(46)
Payment for intangible assets and intangible assets under progress		(4)	(55)
Proceeds from sale of property plant and equipment		-	6
Investment in fixed deposits		(10,222)	(12,586)
Redemption/maturity of fixed deposits		9,181	11,687
Interest received on fixed deposits		811	612
Investment in liquid mutual funds		(700)	-
Redemption of mutual funds		300	-
Investment in government securities		(2,182)	(2,073)
Interest received on government securities		273	79
Investment in subsidiaries		(510)	(190)
Net cash inflow/(outflow) from investing activities		(3,077)	(2,566)
Cash flow from financing activities			
Payment of principal element of lease liabilities		(210)	(234)
Payment of interest on lease liabilities		(44)	(44)
Payment of interim dividend		-	(750)
Net cash inflow/(outflow) from financing activities		(254)	(1,028)
Net increase in cash and cash equivalents		1,444	510
Cash and cash equivalent at the beginning of the year		1,294	784
Cash and cash equivalent at the end of the year		2,738	1,294
Components of cash and cash equivalents			
Balances with banks			
Current accounts	12	535	553
In deposit account with original maturity within 3 months from the date of deposit	12	2,195	740
Income accrued but not due on deposits with original maturity within 3 months from the date of deposit	12	8	1
Cash on hand	12	-	-*
Total cash and cash equivalents		2,738	1,294

*represents value less than 0.5 lakhs.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes. This is the Statement of Cash Flows referred to in our report of even date.

For BSD & CO

Chartered Accountants
Firm registration number: 000312S
Rishav Saraf
Partner
Membership No: 230591
Date: 20 August 2024
Place: Bangalore

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

N.S. Vishwanathan
Director
DIN: 09568559

Debajyoti Ray Chaudhuri
Managing Director & CEO
DIN: 09242571
Vinod Shenoy M.
Chief Financial Officer
Date: 20 August 2024

Nivedita E.P.
Executive Director & CRO

Padmavathy S.
Company Secretary
M.No: A37997

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Notes to the standalone Ind AS financial statements for the year ended March 31, 2024

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

Overview and basis of preparation

1 Company overview

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	Reference
NESL Asset Data Limited	08-09-2017	Refer note 9
NESL E-Infrastructure Limited	18-12-2017	Refer note 9

The Financial Statements for the year ended March 31, 2024 were approved by the Board of Directors and authorized for issue on August 20, 2024.

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 March 31, 2024.

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 material accounting policy information used in preparation of the standalone financial statements have been discussed in the respective notes.

2 Basis of preparation of financial statements

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, 2024

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

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.

Assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

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 lakhs during the current year as per the requirement of Schedule III Division 2, unless otherwise stated, accordingly the previous year comparative are also rounded off to nearest lakhs, unless otherwise stated.

3 Critical accounting assumptions, estimates and judgments

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 recognised 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:

- Estimated useful life of intangible assets (refer note 5)
- Estimated useful life and residual value of property, plant and equipment (refer note 4)
- Assessment of Performance obligation in revenue recognition including timing of satisfaction of performance obligation, allocation of transaction price, presence of material right to purchase additional services, presence of significant financing component and amounts allocated to performance obligations. (refer note 23)
- Estimation of defined benefit obligation (refer note 30)
- Estimation of provisions (refer note 30)
- Recognition of deferred taxes (refer note 22)
- Impairment of trade receivables (refer note 15)
- Estimated useful life and implicit interest rate/incremental borrowing rate used for recognizing Right of Use assets and lease liabilities respectively (refer note 7)

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Notes to the standalone Ind AS financial statements for the year ended March 31, 2024

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

4 Property Plant and Equipment

Accounting policy:

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises of 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 derecognised 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 recognised in Statement of Profit and Loss. An individual item of property, plant and equipment with value less than Rs 5,000/- is not recognised 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 recognised 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.

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.

The changes in the carrying amount of property, plant and equipment for the year ended March 31, 2024 are as follows:

Particulars	Vehicles	Computers	Servers and networks	Furniture and fittings	Leasehold premises improvements	Office Equipment's	Total
Cost:							
Gross carrying amount as at April 1, 2023	35	107	24	2	26	41	235
Additions	-	23	-	-	-	1	24
Disposal/adjustment	-	-	-	-	-	-	-
Gross carrying amount as at March 31, 2024	35	130	24	2	26	42	259
Accumulated depreciation and impairment:							
Balance as at April 1, 2023	7	82	18	1	23	24	155
Depreciation	6	19	2	-	-	4	31
Accumulated depreciation on disposal/adjustment	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Balance as at March 31, 2024	13	101	20	1	23	28	186
Net carrying amount as at March 31, 2024	22	29	4	1	3	14	73

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Notes to the standalone Ind AS financial statements for the year ended March 31, 2024

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

The changes in the carrying amount of property, plant and equipment for the year ended March 31, 2023 are as follows:

Particulars	Vehicles	Computers	Servers and networks	Furniture and fittings	Leasehold premises improvements	Office Equipment's	Total
Cost:							
Gross carrying amount as at April 1, 2022	22	101	23	2	25	31	204
Additions	24	8	1	-	2	10	45
Disposal/adjustment	(11)	(2)	-	-	(1)	-	(14)
Gross carrying amount as at March 31, 2023	35	107	24	2	26	41	235
Accumulated depreciation and impairment:							
Balance as at April 1, 2022	9	63	15	1	23	19	130
Depreciation	6	20	3	-	1	5	35
Accumulated depreciation on disposal/adjustment	(8)	(1)	-	-	(1)	-	(10)
Impairment	-	-	-	-	-	-	-
Balance as at March 31, 2023	7	82	18	1	23	24	155
Net carrying amount as at March 31, 2023	28	25	6	1	3	17	80

5 Intangible assets

Accounting policy:

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 recognised 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

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

The changes in the carrying amount of intangible assets for the year ended March 31, 2024 are as follows:

Particulars	IU License fees	Other software	Total
Cost:			
Gross carrying amount as at April 1, 2023	50	48	98
Additions	-	4	4
Disposal/adjustment	-	-	-
Gross carrying amount as at March 31, 2024	50	52	102
Accumulated amortisation:			
Balance as at April 1, 2023	5	32	37
Amortisation	10	6	16
Accumulated amortisation on disposal/adjustment	-	-	-
Balance as at March 31, 2024	15	38	53
Net carrying amount as at March 31, 2024	35	14	49

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Notes to the standalone Ind AS financial statements for the year ended March 31, 2024

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

The changes in the carrying amount of intangible assets for the year ended March 31, 2023 are as follows:

Particulars	IU software	IU License fees	Other software	Total
Cost:				
Gross carrying amount as at April 1, 2022	1,516	50	43	1,609
Additions	-	50	5	55
Disposal/adjustment	-	(50)	-	(50)
Gross carrying amount as at March 31, 2023	1,516	50	48	1,614
Accumulated amortisation:				
Balance as at April 1, 2022	1,212	45	25	1,282
Amortisation	304	10	7	321
Accumulated amortisation on disposal/adjustment	-	(50)	-	(50)
Balance as at March 31, 2023	1,516	5	32	1,553
Net carrying amount as at March 31, 2023	-	45	16	61

6 Impairment of non-financial assets

Accounting policy:

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 recognised immediately in Statement of Profit and Loss.

A previously recognised 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 recognised. Such reversal is recognised 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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7 Leases

Accounting policy:

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 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 (RoU)' 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' assets 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.

Right of Use assets

The changes in the carrying amount of Right of Use assets for the year ended March 31, 2024 are as follows:

Particulars	Category of RoU assets		Total
	Servers/ virtual machines	Building	
Gross carrying amount as at April 1, 2023	402	845	1,247
Additions	-	125	125
Disposal/adjustment	-	(123)	(123)
Gross carrying amount as at March 31, 2024	402	847	1,249
Accumulated depreciation:			
Balance as at April 1, 2023	352	249	601
Depreciation	50	141	191
Accumulated depreciation on disposal/adjustment	-	(121)	(121)
Balance as at March 31, 2024	402	269	671
Net carrying amount as at March 31, 2024	-	578	578

The changes in the carrying amount of Right of Use assets for the year ended March 31, 2023 are as follows :

Particulars	Category of RoU assets		Total
	Servers/ virtual machines	Building	
Gross carrying amount as at April 1, 2022	326	790	1,116
Additions	76	55	131
Disposal/adjustment	-	-	-
Gross carrying amount as at March 31, 2023	402	845	1,247
Accumulated depreciation:			
Balance as at April 1, 2022	249	97	346
Depreciation	105	152	257
Accumulated depreciation on disposal/adjustment	-	-	-
Reversal of impairment on RoU	(2)	-	(2)
Balance as at March 31, 2023	352	249	601
Net carrying amount as at March 31, 2023	50	596	646

The aggregate depreciation expense on RoU assets is included under depreciation and amortization expense in the Standalone Statement of Profit and Loss.

Lease liabilities

The break-up of current and non-current lease liabilities as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31,	As at March 31,
	2024	2023
Non-current lease liabilities	494	519
Current lease liabilities	137	200
Total lease liabilities	631	719

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The movement in lease liabilities during the years ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	719	817
Additions	123	136
Finance cost accrued during the period	43	44
Payment of lease liabilities	(254)	(278)
Balance at the end	631	719

Maturity analysis of lease liability as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Future lease payments (undiscounted)		
2023-24	-	242
2024-25	179	148
2025-26	185	156
2026-27	193	163
2027-28	157	128
2028-29	17	-
Total future lease payments (undiscounted)	731	837
Total future finance costs	(100)	(118)
Lease liability	631	719
Current lease liabilities	137	200
Non-current lease liabilities	494	519

Expenses relating to short term leases or low value leases as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Expenses relating to short term leases	88	-
Expenses relating to leases of low-value	1	1
Total	89	1

Note: During the year ended March 31, 2024, the original lease term of servers on lease has ended and the agreement was renewed for a term of less than 12 months. The expenses relating to the servers has been accounted as a short-term lease.

Net debt reconciliation of the Company as at March 31, 2024 and March 31, 2023 is as below:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	2,738	1,294
Liquid investments+	777	341
Lease liabilities	(631)	(719)
Net debt	2,884	916

+ Liquid investments comprise current investments that are traded in an active market, being the Company's financial asset held at fair value through profit and loss

Particulars	Other assets		Liabilities from financing activities	Total
	Cash and cash equivalents	Liquid investments	Lease liabilities	
Net debt as at April 1, 2023	1,294	341	(719)	916
Cash flows	1,444	400	210	2,054
Additions to lease liability	-	-	(123)	(123)
Interest expense	-	-	(43)	(43)
Interest paid	-	-	44	44
Gain on redemption and fair value adjustment	-	36	-	36
Net debt as at March 31, 2024	2,738	777	(631)	2,884
Net debt as at April 1, 2022	784	323	(817)	290
Cash flows	510	-	234	744
Additions to lease liability	-	-	(136)	(136)
Interest expense	-	-	(44)	(44)
Interest paid	-	-	44	44
Gain on redemption and fair value adjustment	-	18	-	18
Net debt as at March 31, 2023	1,294	341	(719)	916

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8 Intangible assets under development

Intangible assets under development as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Trademarks under progress	-*	-*
Total intangible assets under development	-	-

Note: During the year ended March 31, 2023, the Company has applied for registration of trademark of logos related to Electronic Bank Guarantee and DDE, which is under progress with the trademark authority as on 31st March 2024.

The intangible assets under development ageing schedule for the year ended March 31, 2024 is as follows:

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-*	-	-	-
Projects temporarily suspended	-	-	-	-	-

The intangible assets under development ageing schedule for the year ended March 31, 2023 is as follows:

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-*	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

* represents value less than 0.5 lakhs, Rs. 0.31 lakhs and Rs. 0.31 lakhs for year ended March 31, 2024 and March 31, 2023 respectively

9 Investments

Particulars	As at March 31, 2024	As at March 31, 2023
Non current investments:		
Investments in subsidiaries		
Subsidiaries - wholly owned (Unquoted)		
NESL Asset Data Limited - 1,50,00,000 shares (PY: 99,00,000 shares) of Rs. 10/- each fully paid up	1,500	990
NESL E-infrastructure Limited - 10,00,000 shares (PY: 10,00,000 shares) of Rs. 10/- each fully paid up	100	100
Total investments in subsidiaries	1,600	1,090
Other investments:		
Investments in government securities at amortised cost (quoted) ⁽¹⁾		
Investment in IN1920200434 6.50% Karnataka SDL 2030	59	59
Investment in IN1920200459 6.53% Karnataka SDL 2030	192	192
Investment in IN3120200222 6.33% Tamil Nadu SDL 2030	236	236
Investment in IN3120200347 6.57% Tamil Nadu SDL 2031	64	64
Investment in IN3120200362 6.95% Tamil Nadu SDL 2030	200	200
Investment in IN1520220030 7.82% Gujarat SDL 2032	210	210
Investment in IN1520220055 7.80% Gujarat SDL 2032	196	196
Investment in IN1520220063 7.77% Gujarat SDL 2032	175	175
Investment in IN3120220105 7.64% Tamil Nadu SDL 2032	203	203
Investment in IN1520220253 7.71% Gujarat SGS 2033	755	755
Investment in IN1920220028 7.67% Karnataka SGS 2032	309	309
Investment in IN2220220189 7.74% Maharashtra SGS 2033	252	252
Investment in IN3120230096 7.39% Tamilnadu SGS 2033	511	-
Investment in IN3120230138 7.44% Tamilnadu SGS 2033	509	-
Investment in IN2220230113 7.46% Maharashtra SGS 2033	733	-
Investment in IN1920230027 7.69% Karnataka SGS 2033	465	-
Total investments in government securities	5,069	2,851
Total non-current investments	6,669	3,941
Current investments:		
Investments:		
Investments in mutual funds (quoted) measured at fair value through Profit and Loss ⁽²⁾		
Investment in LD72SG SBI Liquid Fund Direct Growth 1,323.1670 units (PY: 9677.532 units) at market price (NAV).	50	341
Investment in LD48IG SBI Short Term Debt Fund-Direct Plan Growth 23,70,181.3680 units (PY: Nil) at market price (NAV)	727	-
Total current investments	777	341
Total investments	7,446	4,282
Aggregate amount of quoted investment	5,846	3,192
Aggregate market value of quoted investment	5,796	3,123
Aggregate amount of unquoted investments	1,600	1,090
Aggregate amount of impairment in value of investments.	-	-

Note:

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

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10 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured		
Receivable from related parties	14	14
Receivable from others	5,687	4,635
Trade Receivables - credit impaired		
Receivable from others	7	68
Sub-total	5,708	4,717
Impairment Allowance (Allowance for bad and doubtful debts)		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured		
Receivable from others	186	-
Trade Receivables - credit impaired		
Receivable from others	7	68
Sub-total	193	68
Total Trade receivables	5,515	4,649

Note: For the previous year ended March 31, 2023, Unbilled revenue of Rs. 4 lakhs grouped under Other financial assets has been regrouped to Trade receivables.

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	-	2,684	2,376	478	162	1	-	5,701
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	5	2	-	7
Total trade receivables due	-	2,684	2,376	478	167	3	-	5,708
Less: Allowance for credit loss								193
Total trade receivables								5,515

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	4	2,554	1,797	244	28	21	-	4,648
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	1	20	48	-	69
Total trade receivables	4	2,554	1,797	245	48	69	-	4,717
Less: Allowance for credit loss								68
Total trade receivables								4,649

11 Other financial assets:

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current other financial assets		
Security deposits	58	53
Bank deposits with maturity more than 12 months from balance sheet date	4,551	2,300
Income accrued but not due on deposits with maturity more than 12 months from balance sheet date	8	8
Total non-current other financial assets	4,617	2,361
Current other financial assets		
Recoverable from related parties:		
Recoverable from NESL Asset Data Ltd.	-*	3
Security deposits	2	1
Income accrued but not due on deposits with maturity more than 12 months from balance sheet date	11	-
Total current other financial assets	13	4
Total other financial assets:	4,630	2,365

Note:

- Security deposits received are initially recognised at fair value under effective interest rate method using discount rate prevalent for FDs of similar term at the time of origination of such deposits and subsequently at amortized cost.
- For the previous year ended March 31, 2023, Unbilled revenue of Rs. 4 lakhs grouped under Other current financial assets are regrouped to Trade receivables.
- For the previous year ended March 31, 2023, Income accrued but not due on fixed deposits of Rs. 307 lakhs grouped under Other current financial assets are regrouped to Other non-current financial assets (Rs. 8 lakhs) and Bank balances other than cash & cash equivalents (Rs. 299 lakhs).

*represents value less than 0.5 lakhs, Rs. 0.24 lakhs for year ended March 31, 2024

12 Cash and cash equivalents**Accounting policy:**

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.

The position of cash and cash equivalents are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks (of the nature of cash and cash equivalents)		
In current account	535	553
In deposit account with original maturity within 3 months from the date of deposit	2,195	740
Income accrued but not due on deposits with original maturity within 3 months from the date of deposit	8	1
Cash on hand	-	-*
Total Cash and cash equivalents	2,738	1,294

*represents value less than 0.5 lakhs, Rs. 0.07 lakhs for year ended March 31, 2023

13 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
In deposit account with maturity within 12 months of balance sheet date*	10,488	11,700
Income accrued but not due on deposits with maturity within 12 months of balance sheet date	365	299
Total Bank balances other than cash & cash equivalents	10,853	11,999

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".
- For the previous year ended March 31, 2023, Income accrued but not due on fixed deposits of Rs. 299 lakhs grouped under Other current financial assets are regrouped to Bank balances other than cash & cash equivalents.

* This includes an amount of Rs 11 lakhs in fixed deposit, offered as security/lien for the purpose of performance bank guarantee (refer note 39).

14 Other assets

Particulars	As at March 31, 2024	As at March 31, 2023
Other non-current assets		
Prepaid expenses	12	16
Total other non-current assets	12	16
Other current assets		
GST input credit/TDS	56	14
GST recoverable	-	1
Prepaid expenses	87	76
Other advances	7	25
Total other current assets	150	116
Total other assets	162	132

Note: In the previous year Income tax paid of Rs. 238 lakhs grouped under Other current assets are regrouped and shown separately on the face of the balance sheet as Current tax assets (net).

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15 Financial instruments

Accounting policy:

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 recognised 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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 recognised 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 recognised in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised 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 assessed for and impairment provision is recognised if considered necessary immediately to state the value of net investment to its recoverable value. Recoverable value is higher of the value in use and value in sale for net investment in subsidiary.

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 derecognised (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.

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 recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised 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. 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. ECL impairment loss allowance (or reversal) recognised during the period is recognised 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."

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Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised 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 recognised 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 recognised in Statement of Profit and Loss when the liabilities are derecognised 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 derecognised 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 recognised 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 recognised by the Company are recognised 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 recognised amounts and there is an intention either to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Fair

a) value measurements

The carrying value and fair value of financial instruments by categories as at the year ended March 31, 2024 and March 31, 2023 are as follows

Particulars	Note	Carrying value	Fair value	Carrying value	Fair value
		As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Financial assets					
Amortised cost					
Investments in government securities	9	5,069	5,019	2,851	2,782
Trade receivables	10	5,515	5,515	4,649	4,649
Cash and cash equivalents	12	2,738	2,738	1,294	1,294
Bank balances other than cash and cash equivalents	13	10,853	10,853	11,999	11,999
Other financial assets	11	4,630	4,630	2,365	2,365
Fair value through profit and loss (FVTPL)					
Investments in mutual funds (quoted)	9	777	777	341	341
Total financial assets		29,582	29,532	23,499	23,430

Particulars	Note	Carrying value	Fair value	Carrying value	Fair value
		As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Financial liabilities					
Amortised cost					
Lease liability	7	631	631	719	719
Trade payables	19	451	451	238	238
Other financial liabilities	18	523	523	301	301
Total financial liabilities		1,605	1,605	1,258	1,258

Note: The carrying amount of trade receivable, trade payables, cash & cash equivalents, other financial assets and liabilities are considered to be same as their fair values due to their short term nature.

b) 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

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Financial assets and liability measured at fair value - recurring fair value measurement as at the year ended March 31, 2024				
Particulars	Fair value measurement using			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value:				
Investments in mutual funds (quoted)	777	777	-	-
Liabilities measured at fair value:				
-None-	-	-	-	-

Financial assets and liability measured at fair value - recurring fair value measurement as at the year ended March 31, 2023				
Particulars	Fair value measurement using			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value:				
Investments in mutual funds (quoted)	341	341	-	-
Liabilities measured at fair value:				
-None-	-	-	-	-

Note: specific valuation techniques used to value the above financial instruments include the use of quoted market prices.

c) Financial Risk Management:

Financial Risk Factors

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

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company has only domestic operations and has no foreign currency exposure. Accordingly no market risk is perceived.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 5,708 lakhs and Rs. 4,717 lakhs as at March 31, 2024 and March 31, 2023, respectively. Trade receivables are generally unsecured and derived from customers who are major public and private sector banks and large NBFC's. Since, the major customers are large institutions with very good credit ratings the credit risk to the company is negligible. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

The details in respect of billing from top five customers and top ten customers are as follows:

Particulars	Billing		% of total billing	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Revenue from top five customers	5,218	3,784	42%	38%
Revenue from top ten customers	6,711	5,157	55%	52%

The allowance for lifetime expected credit loss on customer balances recognised for the years ended March 31, 2024 and March 31, 2023 is Rs. 195 lakhs and Rs. 25 lakhs, respectively.

The movement in credit loss allowance on customer balance is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	68	43
Impairment loss recognised	195	25
Amounts written off	(70)	-
Balance at the end	193	68

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no borrowings. The Company believes that the working capital is sufficient to meet its current requirements.

As at March 31, 2024, the Company had a working capital of Rs. 13,257 lakhs including cash and cash equivalents and current bank deposits of Rs.13,591 lakhs and current investments of Rs. 777 lakhs. As at March 31, 2023, the Company had a working capital of Rs. 12,576 lakhs including cash and cash equivalents and current bank deposit of Rs. 13,293 lakhs and current investments of Rs. 341 lakhs. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2024:

Particulars	Less than 1 year	1 to 2 year	More than 2 year	Total
Trade payables	451	-	-	451
Other financial liabilities	523	-	-	523
Lease liabilities on an undiscounted basis (refer note 7)	179	185	367	731

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2023:

Particulars	Less than 1 year	1 to 2 year	More than 2 year	Total
Trade payables	238	-	-	238
Other financial liabilities	301	-	-	301
Lease liabilities on an undiscounted basis (refer note 7)	242	148	447	837

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

16 Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised share capital		
10,00,00,000 (previous year: 10,00,00,000) equity shares of Rs. 10/- each.	10,000	10,000
	10,000	10,000
Issued, subscribed and fully paid-up share capital		
7,50,00,000 (previous year: 7,50,00,000) equity shares of Rs 10/- each.	7,500	7,500
	7,500	7,500

Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares in lakhs	Amount	Number of shares in lakhs	Amount
Number of shares at the beginning of the year	750	7,500	750	7,500
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	750	7,500	750	7,500

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	As at March 31, 2024		As at March 31, 2023	
	Number of shares in lakhs	Percentage holding	Number of shares in lakhs	Percentage holding
Life Insurance Corporation	45	6.00%	45	6.00%
State Bank of India	75	10.00%	75	10.00%
Canara Bank	75	10.00%	75	10.00%
Bank of Baroda (Merged entity)	105	14.00%	105	14.00%
ICICI Bank	74	9.90%	74	9.90%
Axis Bank Ltd.	71	9.50%	71	9.50%
Karnataka Bank Ltd.	45	6.00%	45	6.00%

Particulars of shares held by the promoters:

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares in lakhs	Percentage holding	Number of shares in lakhs	Percentage holding
Life Insurance Corporation	45	6.00%	45	6.00%
State Bank of India	75	10.00%	75	10.00%
Canara Bank	75	10.00%	75	10.00%
Bank of Baroda (Merged entity)	105	14.00%	105	14.00%
New India Assurance Co. Ltd	38	5.00%	38	5.00%
Union Bank of India	38	5.00%	38	5.00%
Central Depository Services (India) Ltd	30	4.00%	30	4.00%
ICICI Bank	74	9.90%	74	9.90%

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, 2024. 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, 2024.

Dividend:

The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Interim dividends are recorded as a liability on the date of declaration by the Company's Board. The Company declares and pays dividends in Indian Rupees. Companies are required to pay / distribute dividend after deducting applicable taxes.

The amount of per share dividend recognised (in INR rupees) as distribution to equity shareholders in accordance with Companies Act, 2013 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Interim dividend for year ended March 31, 2024 and March 31, 2023	-	1

During the year ended March 31, 2023 on account of interim dividend for year ended March 31, 2023, the Company has incurred a cash outflow of Rs. 750 lakhs.

Proposed dividend on equity shares not recognised as liability:

The Board of Directors of the Company have recommended final dividend of Rs. 1 per share of Rs. 10 each for the year ended March 31, 2024. For the proposed dividend the Company expects a cash outflow of Rs. 750 lakhs. The proposed final dividend is subject to shareholders approval at the Annual General Meeting and has not been recognised as a liability in these financial statements.

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17 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings:		
Opening balance	9,263	5,558
Add: Profit/(Loss) for the year	4,807	4,464
Add: Other comprehensive income not reclassifiable to profit and loss		
Re-measurements of defined benefit plan actuarial gains/ (losses), net of tax	(6)	(9)
Interim dividend paid (2022-23 @ Rs 1 per share)	-	(750)
Total other equity	14,064	9,263

Note: Retained earnings represents the amount of accumulated undistributed earnings of the Company as at balance sheet date.

18 Other financial liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Current other financial liabilities		
Advances returnable	498	276
Auditor's remuneration payable	3	4
Reimbursements payable	8	7
Security deposits received	14	14
Total current other financial liabilities	523	301
Total other financial liabilities	523	301

Note: 1. For the previous year ended March 31, 2023, Rs.11 lakhs shown as Provisions for expenses under Provisions are regrouped to Auditor's remuneration payable (Rs. 4 lakhs) and Reimbursements payable (Rs. 7 lakhs) respectively under Other current financial liabilities.

19 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises	3	4
Total outstanding dues of creditors other than micro and small enterprises		
Related Parties	55	29
Others		
Creditors for supplies & services	393	205
Total Trade payables	451	238

Note: 1. For the previous year ended March 31, 2023, Employee benefit expenses of Rs. 2 lakhs grouped under trade payables are regrouped under other liabilities as Employee benefits payable.

2. For the previous year ended March 31, 2023, Rs. 53 lakhs shown as provision for expenses are regrouped to Trade payables.

The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified based on the information available with the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
Amount remaining unpaid		
Principal amount due to micro and small enterprises	3	4
Interest due on above	-*	-
Total amount remaining unpaid	3	4
Interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
Interest accrued and remaining unpaid at the end of the year	-*	-
Interest remaining due and payable (pertaining to prior years), until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006	-	-

*represents value less than 0.5 lakhs, Rs. 0.01 lakhs for year ended March 31, 2024

Trade payables outstanding ageing as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<i>Undisputed</i>							
(i) MSME	-	1	2	-	-	-	3
(ii) Others	172	154	119	3	-	-	448
<i>Disputed</i>							
(iii) MSME	-	-	-	-	-	-	-
(iv) Others	-	-	-	-	-	-	-
Total trade payables	172	155	121	3	-	-	451

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Trade payables outstanding ageing as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<i>Undisputed</i>							
(i) MSME	-	4	-	-	-	-	4
(ii) Others	53	132	49	-	-	-	234
<i>Disputed</i>							
(iii) MSME	-	-	-	-	-	-	-
(iv) Others	-	-	-	-	-	-	-
Total trade payables	53	136	49	-	-	-	238

20 Provisions

Accounting policy:

A provision is recognised 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 recognised 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.

Onerous contracts are accounted as per IndAS 37. Such contract entail a provision of present value of obligations net of any economic benefits under such contract. Obligations under such contract is lower of penalties/compensation under contract for exit or incremental cost of fulfilling such contracts, Onerous contract are assessed at the contract level. Any asset supporting such onerous contract is impaired based on assessment of cash flow. The provision for onerous contract is assessed each for reversals, re-adjust the provisions for any change in circumstances and passage of time. The interest expense relating to unwinding of discount with passage of time on such provision is disclosed as finance costs. Any reversal which represents other than ordinary use/application of the provision, like closure of the onerous contract, is recognised separately in the Statement of Profit and Loss at gross and not netted off against the ordinary expenses under such onerous contract.

Provision for employee benefit obligations is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current provisions		
Employee benefit obligations:		
Provision for gratuity	95	114
Provision for leave encashment and compensated absence	120	89
Total non-current provisions	215	203
Current provisions		
Employee benefit obligations:		
Provision for gratuity	-	21
Provision for leave encashment and compensated absence	14	9
Provision for bonus	86	72
Total current provisions	100	102
Total provisions	315	305

Note: 1. In the previous year ended March 31, 2023, Rs. 72 lakhs grouped under Provision for expenses are reclassified separately as Provision for bonus.

2. For the previous year ended March 31, 2023, Rs. 64 lakhs shown as provision for expenses are regrouped to Trade payables (Rs. 53 lakhs) and Reimbursements payable (Rs. 7 lakhs) and auditors remuneration payable (Rs. 4 lakhs) under Other current financial assets.

3. For details on Provision on gratuity and Provision for leave encashment and compensated absence refer note 30.

Movement of provision as at March 31, 2024

Particulars	Balance as at March 31, 2023	Additions	Allowance for financial effect	Applications/ Reversals	Balance as at March 31, 2024
Provision for bonus	72	86	-	(72)	86
Total provisions	72	86	-	(72)	86

Movement of provision as at March 31, 2023

Particulars	Balance as at March 31, 2022	Additions	Allowance for financial effect	Applications/ Reversals	Balance as at March 31, 2023
Provisions (non-current)					
Provision for onerous contract*	352	-	6	(358)	-
Provisions (current)					
Provision for onerous contract*	212	-	10	(222)	-
Provision for bonus	55	72	-	(55)	72
Total provisions	619	72	16	(635)	72

***Reversal of provision for onerous contract:**

The Company reviews its contract with vendors from time to time; during the year ended March 31, 2022, the Company has identified certain contracts to be onerous and has provided Rs. 564 lakhs. The amount represents present value of incremental costs net of economic benefits from net contracts as per requirement of Ind AS 37. Subsequently, the Company and the vendor discussed and mutually agreed to set aside the term and pricing under the onerous contract and entered into fresh pricing and tenure to support each others efforts in business. Therefore, the provision under onerous contract Rs. 580 lakhs (Rs 564 lakhs opening along with allowance for financial effect of Rs. 16 lakhs until the date of reversal) has been reversed during the year ended 2023.

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Notes to the standalone Ind AS financial statements for the year ended March 31, 2024

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21 Other liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current other liabilities		
Deferred revenue*	3,126	2,299
Total non-current other liabilities	3,126	2,299
Other current liabilities		
Statutory liabilities	514	402
Deferred revenue*	5,548	4,586
Deferred income - Ind AS fair value adjustment ¹	-	-
Employee benefits payable	1	2
Advance received from customers - non returnable ²	-	-
Total current other liabilities	6,063	4,990
Total other liabilities	9,189	7,289

+ Deferred revenue are contract liabilities arising from contracts with customers, invoicing in excess of revenue recognised is classified as deferred revenue.

*1 Represents value less than 0.5 lakhs for year ended March 31, 2023 (Rs. 0.01 lakhs)

*2 Represents value less than 0.5 lakhs, 0.07 lakhs for year ended March 31, 2024 and Rs. 0.34 lakhs for year ended March 31, 2023

Note:

1. For the previous year ended March 31, 2023, Employee benefit expenses of Rs. 2 lakhs grouped under trade payables are regrouped under other liabilities as Employee benefits payable.

2. In the previous year Income tax paid of Rs. 234 lakhs grouped under Other current liabilities are regrouped and shown separately on the face of the balance sheet as Current income tax liabilities (net).

The revenue recognition pattern of contract liabilities - deferred revenue as on March 31, 2024 is as below:

Particulars	Within 1 year	1 year to 2 year	2 years and above	Total
Deferred revenue - current	5,548	-	-	5,548
Deferred revenue - non current	-	1,142	1,984	3,126
Total deferred revenue	5,548	1,142	1,984	8,674

22 Income taxes

Accounting policy:

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 recognised 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 recognised 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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 recognised outside Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in OCI or in equity in correlation to the underlying transaction).

Income tax expense in the Statement of Profit and Loss is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Current taxes	1,652	1,371
Adjustments of tax relating to previous year	-	1
Deferred tax expense/(income)	(39)	97
Income tax expense	1,613	1,469

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A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Profit before income taxes	6,420	5,933
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	1,616	1,493
Adjustments of tax relating to previous year	-	1
Effect of non-deductible expenses	(3)	(25)
Income tax expense	1,613	1,469

The details of income tax assets and income tax liabilities as at March 31, 2024 and March 31, 2023 are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Current income tax assets (net)	485	238
Current income tax liabilities (net)	-	234
Net current income tax assets / (liabilities) at the end	485	4

Note: In the previous year the income tax assets of Rs. 238 lakhs and income tax liabilities of Rs. 234 lakhs was grouped under Other current assets and Other current liabilities respectively, this has been regrouped and shown separately on the face of the balance sheet as Current income tax assets (net) and Current income tax liabilities (net) respectively.

The gross movement in the current income tax assets / (liabilities) for the years ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Net current income tax assets / (liabilities) at the beginning	4	(45)
Income tax paid	2,133	1,421
Current income tax expense	(1,652)	(1,372)
Net current income tax assets / (liabilities) at the end	485	4

The movement in gross deferred income tax assets and liabilities for the year ended March 31, 2024 is as follows:

Particulars	Carrying value as at March 31, 2023	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	Carrying value as at March 31, 2024
Deferred income tax assets / (liabilities):					
Property, plant and equipment	52	(18)	-	-	34
Provision for gratuity	34	(12)	2	-	24
Provision for leave encashment and compensated absences	25	9	-	-	34
Right of use assets	-	(146)	-	-	(146)
Lease liabilities	-	158	-	-	158
Trade receivables - loss allowance	-	49	-	-	49
Mutual funds - fair value adjustments under Ind AS	(8)	(1)	-	-	(9)
Total deferred income tax assets / (liabilities)	103	39	2	-	144

The movement in gross deferred income tax assets and liabilities for the year ended March 31, 2023 is as follows:

Particulars	Carrying value as at March 31, 2022	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	Carrying value as at March 31, 2023
Deferred income tax assets / (liabilities):					
Property, plant and equipment	7	45	-	-	52
Provision for gratuity	22	9	3	-	34
Provision for leave encashment and compensated absences	18	7	-	-	25
Trade receivables - loss allowance	11	(11)	-	-	-
Mutual funds - fair value adjustments under Ind AS	(3)	(5)	-	-	(8)
Provision for onerous contract	142	(142)	-	-	-
Total deferred income tax assets / (liabilities)	197	(97)	3	-	103

23 Revenue from operations

Accounting policy:

Revenue recognition

Under IndAS 115, the Company applies a five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues based on the fulfilment of performance obligation.

Contract with customer would mean (1) signed contract if available or price based on- arrangement, business practice and standard operating procedures. The price could be specific negotiated price (like for PDA services, storage, bidding services) and (2) the tariff schedule as applicable for each financial year. These are interpreted collectively to ascertain scope including performance obligation and pricing for each financial year.

The Company based on evidence evaluates, at the start of each financial year, as to whether a service is perceived as a distinct benefit by the customer and is a separate performance obligation, or the service is perceived to be bundled along with other service as a bundle of performance obligation, or a service is mere perfunctory or incidental in nature not constituting a performance obligation. While assessing whether a service is a separate performance obligation, the company for each review period assesses whether service, in a bundled offering, is highly dependent, highly interrelated with other service in the bundle including if the customer has an option to not purchase the service without significantly affecting the other promised goods. Such an assessment would include whether one of such services in the bundle is independently priced in the tariff, as published and available in the Company website, leading to an indicator that the service could be a performance obligation in itself as per Ind AS 115. Such an assessment is carried out periodically starting with the beginning of each financial year.

The Company has tiered pricing structure for certain IU services. Based on its assessment, the Company has assessed there is no identifiable significant material rights in its pricing structure which can be separately valued and accounted, as the services are in the nature of utility services which are by nature universal, uniform in terms of its pricing and offering to the customer ecosystem. The Company is an information utility regulated by the IBBI (Insolvency and Bankruptcy Board of India). The Company charges fees based on a publicly declared tariff which is uniformly applicable to all the market participants of such category in the ecosystem. The information is submitted to the IU by the credit institutions, other customers in order to aid compliance in the ecosystem and the fees charged is a passthrough for the credit institutions to be recovered from their end customers.

Revenue is measured at transaction price which is the consideration, received or receivable net of discounts, taking into account contractually defined terms and excluding taxes, duties collected on behalf of the government. Revenue is recognised as and when the control of promised product or services are transferred to the customer. If there is uncertainty as to collectability, then revenue recognition is postponed until such uncertainty is resolved.

The Company charges the fees in advance for more than one year period for the following category of services, (1) IU services - individual category and (2) PDA - storage services. This requires the Company to assess whether any significant financing component is included in the consideration charged. The company charges the fees over multiple terms for these services for administrative convenience. Due to the regulatory nature of the services the fees charged are nominal and are intended to improve compliance in the ecosystem. The Company, based on the facts and the intent of pricing and its product offering, has assessed that there is no significant financing component in the consideration charged for the aforesaid services.

The transaction price is determined for each performance obligation identified excluding amounts collected on behalf of third parties net of discounts. The Company is a utility in the nature of IU which charges transaction price at the published tariff rate from time to time. The Company allocates the transaction price for services under the contract to each separately identifiable performance obligations/ bundle of performance obligation based on standalone selling price using the three approaches, as applicable, under IndAS 115. Standalone selling prices are determined based on transaction prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the standalone selling price the Company uses third-party prices for similar deliverables. Under IndAS 115, the Company may use (1) adjusted market assessment approach, (2) expected cost plus a margin approach, (3) residual method or a combination of these methods to arrive at allocable transaction price for each performance obligation or bundle of performance obligations identified. Discount provided to one of the distinct performance obligation in the service offering is allocated or averaged across all the performance obligations in the contract/ arrangement unless such a discount is offered at a standalone price of a performance obligation.

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

For performance obligations where control is transferred over time, revenues are recognised by measuring progress towards completion of the performance obligation. Where the services under performance obligation is made available on when and if available basis for a tenure, the customer benefits accrue evenly during the contract and the revenue is recognised for such performance obligation on a straight line attribution method over such tenure. The selection of the method to measure progress towards completion requires judgment and is based on the whether the nature of the promised products or services to be provided at a point in time or is provided or made available for a specific period. In case of bundled service obligations which are not separable, a single measurement method is adopted.

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The following specific recognition criteria must also be met before revenue is recognised:
Information Utility ("IU") 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 is recognised as the services are performed over time on a monthly basis, from the month of submission/ upload of information into the Information Utility system.

The financial information hosted are billed based on the published tariff rate schedule. The period for the service and hosting obligations are specified for each category of loan records. These category as per the tariff structure for IU services are as below.

- Financial information of Companies and Other Commercial entities are recognised over a tenure of 1 year.
- Financial information of individuals including Gold, Micro Finance Institutions (MFI) debts, SHG/JLG debts, Agriculture debts are recognised over a tenure of 5 years from initial submission of information and over 1 year after completion of 5 year initial period based on hosting period under anniversary billing.
- Revenue from information utility services for submissions from Operational Creditor, Homebuyers and other participants are recognised on submission/ upload of information into the Information Utility system.
- The Company provides digital document execution (IU DDE) services as a part of its IU services to its clients. The service includes execution of documents using digital signature and/or digital e-stamping, access, storage and retrieval, digital ledger and tracking service for IU DDE in addition to information utility services for data, and breakup of the tariff is specified at a component level of IU services allowing customer choice at individual service component level. The revenue from IU DDE services is recognised at a point in time when such a service is complete.
- Revenue from E-Sign services is recognised when E-sign counts are consumed by the customer indicating a transfer of control unless express acceptance is required as a part of the contract or arrangement.

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

PDA services and case management services are offered to the customer on subscription basis. Revenue is recognised over the tenure of such subscription, as and when performance obligation are fulfilled over subscription period. Revenue from auction services are recognised on availment of auction services (specific event) by the customer.

If a revenue recognition event meets criteria for net basis accounting under IndAS 115, the related costs like revenue share is netted off against such revenue recognised instead of showing such related costs separately as an expense.

Unbilled revenue and deferred revenue represent contract assets and contract liabilities respectively under IndAS 115. Unbilled revenue is disclosed under note 10 - Trade receivables and deferred revenue is disclosed under note 21 - Other current liabilities.

Revenue from operations for the year ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contract with customers:		
IU Services		
Financial creditors – IU	9,519	7,710
Financial creditors – DDE	970	387
Operational creditors	7	3
One time integration services	2	-
Fee from PDA services	17	18
Total revenue from operations	10,515	8,118

Reconciliation of contract price to revenue recognised for year ended March 31, 2024 is as below:

Particulars	Financial creditors IU	Financial creditors - DDE	IU services others	PDA services	Total
Total billing for the period	11,001	1,269	9	29	12,308
(+) Opening unearned revenue	6,727	145	-	13	6,885
(-) Opening unbilled revenue	-	-	-	(4)	(4)
(-) Closing unearned revenue	(8,209)	(444)	-	(21)	(8,674)
Revenue recognised for the period	9,519	970	9	17	10,515

For the year ended March 31, 2024 the company recognised Rs. 4,586 lakhs revenue from opening deferred revenue.

Reconciliation of contract price to revenue recognised for year ended March 31, 2023 is as below:

Particulars	Financial creditors IU	Financial creditors - DDE	IU services others	PDA services	Total
Total billing for the period	9,535	456	3	15	10,009
(+) Opening unearned revenue	4,902	80	-	12	4,994
(-) Opening unbilled revenue	-	(4)	-	-	(4)
(-) Closing unearned revenue	(6,727)	(145)	-	(13)	(6,885)
(+) Closing unbilled revenue	-	-	-	4	4
Revenue recognised for the period	7,710	387	3	18	8,118

For the year ended March 31, 2023 the company recognised Rs. 3,601 lakhs revenue from opening deferred revenue.

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Notes to the standalone Ind AS financial statements for the year ended March 31, 2024

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

24 Other income

Accounting policy:

Other income is comprised primarily of interest income and gain/loss on investments. Interest income is recognised using the effective interest rate method.

Other income for the year ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on fixed deposits	888	699
Interest on security deposits	3	4
Interest on government securities	309	106
Profit on sale of motor car	-	3
Insurance claim received in excess of w.d.v of lost asset	-	-*
Gain on redemption of mutual funds- current investments	31	-
Gain/(loss) on restatement of mutual funds at fair value	5	18
Bad debts written off - recovered	-	1
Miscellaneous income	1	1
Total other income	1,237	832

* Represents value less than 0.5 lakhs, Rs. 0.11 lakhs for year ended March 31, 2023

Expenses

25 Cost of services

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
IU annual fee*	812	-
IU technology expenses		
Technology resource expenses	237	242
IT data centre expenses**	226	136
Datawarehouse expenses	83	87
Other IT expenses	442	237
CIRP and VDR expenses	12	140
IU operational expenses	231	127
Total cost of services	2,043	969

*Note: As per Regulation 6(2)(e) of the IBBI (IU) Regulations, 2017, no annual fee shall be payable in the financial year in which an information utility is granted registration or renewal of existing registration. The certificate of registration was renewed on 25 September 2022. Hence, the annual fee is not payable for the financial year 2022-23.

**This consists of expenses relating to short-term lease amounting to Rs. 88 lakhs and Nil for the year ended March 31, 2024 and March 31, 2023 respectively (refer note 7).

26 Finance costs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on lease liabilities	43	44
Interest expense on onerous provision	-	15
Interest expense on security deposit received	-	1
Total finance costs	43	60

27 Depreciation and amortization expense

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on plant, property and equipment	4	31	35
Amortisation on intangible assets	5	16	321
Depreciation on right of use assets	7	191	257
Total depreciation and amortization expense		238	613

28 Impairment loss/(reversal of impairment)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Impairment loss/(reversal of impairment) on investment in subsidiary ⁽¹⁾	-	(271)
Impairment/(reversal of impairment) of Right of Use assets ⁽²⁾	-	(2)
Total impairment loss/(reversal of impairment)	-	(273)

(1) During the year ended 2022, the Company assessed its investments in subsidiaries for impairment. Based on the assessment, an impairment of Rs 271 lakhs has been recognised as per the accounting policies of the Company. During the year, the Company has re-assessed the impairment the Company observed certain positive indicators for reversal of impairment. These indicators includes:

- NaDL has seen an increase in its active customer base, billing and revenue against last year.
- There have been changes in the business outlook of NaDL evidenced by increase in integrations, marketing efforts, customer trust and billing. This exercise quantitatively demonstrated the possibility of reversing the impairment due to the augmentation of the value in use, surpassing the equity invested by the Company in NaDL.

(2) During the year ended 2022 the company has identified certain contracts to be onerous. The right of use asset associated with these onerous contract were tested for impairment and an impairment of Rs 2 lakhs was made. During the year ended 2023, the provision on onerous contract has been reversed (refer note 20) and the impairment previously recognised on the right-of-use asset linked to the onerous contract was also reversed during this period.

29 Other expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rent, Repairs and maintenance +	11	11
Subscription, rates and taxes	14	24
Professional charges*	343	203
Legal fees	65	15
Communication expenses	30	25
Advertisement and business promotion	58	31
Auditors' remuneration		
- Statutory audit	4	3
- Tax audit	-	2
- Out of pocket expenses ¹	-	-
Travelling, boarding and conveyance	64	46
Insurance expenses	15	13
Directors' sitting fees	39	27
(Gain)/loss on lease modification	1	5
Assets written off ²	-	-
Impairment loss recognised under expected credit loss model	195	25
CSR expenses**	84	62
Other miscellaneous/administrative expenses	73	65
Total other expenses	996	557

+ Rental expenses for year ended March 31, 2024 consists of laptop and printer rental of Rs 1 lakh and for the year ended March 2023 consists of laptop and printer rental of Rs 1 lakh and long term lease rental on premises is accounted as per IndAS 116 -Leases (refer note 7)

*For the previous year ended March 31, 2023, expenses amounting to Rs. 14 lakhs and Rs. 1 lakhs shown as Internal audit and Secretarial audit respectively are regrouped into Professional charges

**Refer note -37 Corporate social responsibility (CSR)

1. Represents value less than 0.5 lakhs, Rs. 0.33 lakhs for year ended March 31, 2024 and Rs. 0.21 lakhs for year ended March 31, 2023

2. Represents value less than 0.5 lakhs, Rs. 0.11 lakhs for year ended March 31, 2024 and Rs. 0.09 lakhs for year ended March 31, 2023

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

30 Employee benefit expenses

Accounting policy:

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 recognised 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 recognised in the Statement of Profit and Loss.

Employee benefit expenses for the year ended March 31, 2024 and March, 2023 is as below:

Particulars	Year ended March	Year ended March
	31, 2024	31, 2023
Salary & allowances	1,690	1,439
Contribution to provident fund & superannuation fund	101	83
Gratuity expense	55	37
Leave encashment and compensated leave benefits	75	53
Staff welfare expenses	91	59
Total Employee benefit expenses	2,012	1,671

a) Gratuity plan

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees of the Company. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. During the financial year ended March 31, 2024 the company has formed Nesl Group Employees Gratuity Trust ("the Trust") and the Company contributes gratuity liabilities to the Trust. Trustees administer contributions made to the Trust and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

The following tables sets out the status of the Gratuity Plan as required by Ind AS 19 - 'Employee benefits'.

Amount recognised in Balance Sheet at year end	As at March 31, 2024	As at March 31, 2023
Present value of unfunded defined benefit obligation	200	135
Fair value of plan assets	105	-
Net defined benefit (asset)/liability recognised in Balance Sheet	95	135

Net defined benefit cost/(income) included in Statement of Profit and Loss for the year end	As at March 31, 2024	As at March 31, 2023
Service cost	47	31
Net interest cost	8	6
Total defined benefit cost/(income) included in Statement of Profit and Loss	55	37

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Notes to the standalone Ind AS financial statements for the year ended March 31, 2024

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

Current / non-current bifurcation	As at March 31, 2024	As at March 31, 2023
Current benefit obligation	34	21
Non - current benefit obligation	166	114
(Asset)/liability recognised in the Balance Sheet	200	135
Actual return on plan assets	As at March 31, 2024	As at March 31, 2023
Interest income on plan assets	2	-
Actual return on plan assets	2	-
Analysis of amounts recognised in other comprehensive (income)/loss at year end	As at March 31, 2024	As at March 31, 2023
Amount recognised in OCI, beginning of year	53	41
Remeasurements due to:		
Effect of change in financial assumptions	2	(2)
Effect of experience adjustments	6	14
Total remeasurements recognised in OCI	8	12
Amount recognised in OCI, end of year	61	53
Total defined benefit cost/(income) included in Profit & Loss and Other Comprehensive Income	As at March 31, 2024	As at March 31, 2023
Amount recognised in P&L, for the year	55	37
Amount recognised in OCI, for the year	8	12
Total net defined benefit cost/(income) recognised for the year	63	49
Change in defined benefit obligation during the year	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation, beginning of year	135	86
Net current service cost	47	31
Interest cost on DBO	10	6
Actuarial (gains)/losses	8	12
Defined benefit obligation, end of year	200	135
Change in fair value of plan assets during the year	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets, beginning of year	-	-
Interest income plan assets	2	-
Actual company contributions	103	-
Fair value of plan assets, end of year	105	-

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Notes to the standalone Ind AS financial statements for the year ended March 31, 2024

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

Reconciliation of Balance Sheet amount	As at March 31, 2024	As at March 31, 2023	
Balance Sheet (asset)/liability, beginning of year	135	86	
Total charge/(credit) recognised in Profit and Loss	55	37	
Total remeasurements recognised in OC (Income)/Loss	8	12	
Actual employer contribution	(103)	-	
Balance Sheet (asset)/liability, end of year	95	135	
Financial assumptions used to determine the defined benefit obligation	As at March 31, 2024	As at March 31, 2023	
Discount rate	7.09%	7.30%	
Salary escalation rate	12.00%	12.00%	
Financial assumptions used to determine the Profit & Loss charge	As at March 31, 2024	As at March 31, 2023	
Discount rate	7.09%	7.30%	
Salary escalation rate	12.00%	12.00%	
Expected return on plan assets	7.09%	N.A.	
Demographic assumptions used to determine the defined benefit obligation	As at March 31, 2024	As at March 31, 2023	
Withdrawal rate	10.00%	10.00%	
Mortality rate	IALM (2012-14) Ult	IALM (2012-14) Ult	
Retirement age	60 years	60 years	
Asset category	As at March 31, 2024	As at March 31, 2024	As at March 31, 2024
	Quoted Value	Non-Quoted Value	Total
Insurer managed funds & T-bills	0.00%	100.00%	100.00%
Total	0.00%	100.00%	100.00%
Expected contributions for the next financial year	Year ended March 31, 2025		
Expected contributions	143		
Expected cashflows for the next ten years	As at March 31, 2024		
Year - 2025	35		
Year - 2026	14		
Year - 2027	17		
Year - 2028	18		
Year - 2029	18		
Year - 2030 to 2034	88		
Defined benefit obligation by participant status	As at March 31, 2024		
a. Actives	200		
Total defined benefit obligation	200		
Sensitivity analysis	As at March 31, 2024		
Defined benefit obligation - discount rate + 100 basis points	(7)		
Defined benefit obligation - discount rate - 100 basis points	8		
Defined benefit obligation - salary escalation rate + 100 basis points	5		
Defined benefit obligation - salary escalation rate - 100 basis points	(3)		

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Notes to the standalone Ind AS financial statements for the year ended March 31, 2024

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

b) Leave Encashment and Compensated absence scheme

The following tables sets out the status of Leave Encashment and Compensated absence scheme as required by Ind AS 19 - 'Employee benefits'.

Amounts in Balance Sheet at year end	As at March 31, 2024	As at March 31, 2023
Present value of unfunded defined benefit obligation	134	97
(Asset)/liability recognised in the Balance Sheet	134	97
Amounts recognised in Statement of Profit and Loss for the year	As at March 31, 2024	As at March 31, 2023
Service cost	47	23
Net interest cost	9	5
Remeasurements	19	25
Total expense/(income) included in "Employee benefit expenses"	75	53

Note : The actuarial gains & losses are recognised, immediately, through Statement of Profit and Loss.

Change in defined benefit obligation during the year	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation, beginning of year	97	71
Net current service cost	47	23
Interest cost on dbo	9	5
Actuarial (gains)/losses	19	25
Benefits paid	(38)	(27)
Defined benefit obligation, end of year	134	97

31 Earning per share

Accounting policy:

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.

Particulars	As at March 31, 2024	As at March 31, 2023
Profit attributable to equity shareholders of the company	4,807	4,464
Number of shares outstanding as on the balance sheet date (units in lakhs)	750	750
Weighted average number of shares purpose of EPS basic and diluted (units in lakhs)	750	750
Earnings per share basic and diluted (in ₹ per share)	6.41	5.95

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Notes to the standalone Ind AS financial statements for the year ended March 31, 2024

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32 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. Debajyoti Ray Chaudhuri, Managing Director & CEO Mrs. E.P. Nivedita, Executive Director & CRO Mr. Vinod Shenoy M, Chief Financial Officer Mr. M. Murthy, Company Secretary (till September 30, 2022) Mrs. S. Padmavathy, Company Secretary (from October 01, 2022)
Post employment benefit plan	:	NeSL Group Employees Gratuity Trust

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

A) Transactions with subsidiaries during the year

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Transfers under finance arrangements		
Investment in equity shares:		
NESL Asset Data Limited	510	190
Total transfers under finance arrangements	510	190
Rendering of services		
Netted off against Employee benefit expenses:		
NESL Asset Data Limited	7	7
NESL E-Infrastructure Limited	11	10
Netted off against Other expenses:		
NESL Asset Data Limited	6	6
Total rendering of services	24	23
Receiving of services		
Cost of services:		
NESL E-Infrastructure Limited	264	118
Other expenses:		
NESL Asset Data Limited	—*	—*
Total receiving of services	264	118
*represents value less than 0.5 lakhs, Rs. 0.02 lakhs and Rs. 0.02 lakhs for year ended March 31, 2024 and March 31, 2024 respectively		
Settlement of liabilities on behalf of the related party		
NESL Asset Data Limited	4	20
NESL E-Infrastructure Limited	—*	1
Total	4	21
*represents value less than 0.5 lakhs, Rs. 0.44 lakhs for year ended March 31, 2024		
Settlement of liabilities on behalf of the related party		
NESL E-Infrastructure Limited	—*	—
Total	—	—
*represents value less than 0.5 lakhs, Rs. 0.04 lakhs for year ended March 31, 2024		
Contribution to post employment benefit plan		
Nesl Group Employees Gratuity Trust	103	—
Total	103	—

B. Transactions with KMP's during the year

Remuneration to key management personnel for the year ended March 31, 2024

Key management personnel	Short-term employee benefits	Post- employment gratuity and medical benefits	Termination benefits	Share based payment transactions	Total compensation
Mr. Debajyoti Ray Chaudhuri	93	6	—	—	99
Mrs. E.P. Nivedita	51	6	—	—	57
Mr. Vinod Shenoy M	69	2	—	—	71
Mrs. S. Padmavathy	32	2	—	—	34
Total	245	16	—	—	261

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Notes to the standalone Ind AS financial statements for the year ended March 31, 2024

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

Remuneration to key management personnel for the year ended March 31, 2023

Key management personnel	Short-term employee benefits	Post-employment gratuity and medical benefits	Termination benefits	Share based payment transactions	Total compensation
Mr. Debajyoti Ray Chaudhuri	80	-	-	-	80
Mrs. E.P. Nivedita	51	7	-	-	58
Mr. Vinod Shenoy M	60	2	-	-	62
Mr. M. Murthy (till September 30, 2022)	29	-	-	-	29
Mrs. S. Padmavathy (from October 01, 2022)	10	1	-	-	11
Total	230	10	-	-	240

C. Balances outstanding as at year end

Particulars	Balances outstanding	
	As at March 31, 2024	As at March 31, 2023
Investment in subsidiary		
NESL Asset Data Limited	1,500	990
NESL E-Infrastructure Limited	100	100
Total investment in subsidiary	1,600	1,090
Trade receivables from subsidiaries		
NESL Asset Data Limited	14	14
Total trade receivables from subsidiaries	14	14
Recoverable from subsidiaries		
NESL Asset Data Limited	-*	3
Total recoverable from subsidiaries	-	3
*represents value less than 0.5 lakhs, Rs. 0.24 lakhs for year ended March 31, 2024		
Trade payable to subsidiaries		
NESL E-Infrastructure Limited	55	29
Total trade payable to subsidiaries	55	29
Remuneration payable		
Mrs. E.P. Nivedita	-*	9
Total remuneration payable	-	9
*represents value less than 0.5 lakhs, Rs. 0.2 lakhs for year ended March 31, 2024		
Post employment benefit plan		
NeSL Group Employees Gratuity Trust	105	-
Total post employment benefit plan	105	-

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Notes to the standalone Ind AS financial statements for the year ended March 31, 2024

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

33 Functional currency

The functional currency for the Company is INR and the standalone Ind AS financial statements are presented in INR lakhs. 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.

34 Capital management

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

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

To meet the above objectives, the Company invests its funds in bank fixed deposits receipts (FDRs), state government securities and mutual funds as per the Company's investment policy.

The company is obligated to adhere to capital maintenance as per regulatory requirements of Insolvency and Bankruptcy Code (IBC), to maintain minimum capital of Rs 5,000 Lakhs computed as Net Worth 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.

35 Contingent liabilities

Accounting policy:

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 recognised 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 the obligation from the contingent liability but discloses its existence in the standalone Ind AS financial statements.

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Claims against the company not acknowledged as debt;	-	-
(b) Guarantees excluding financial guarantees; and	-	-
(c) Other money for which the company is contingently liable.	-	-

The company doesn't have any contingent liability for the year ended March 31, 2024 and for the year ended March 31, 2023.

36 Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
b) Uncalled liability on shares and other investments partly paid;	-	-
c) Other commitments	-	-
Total commitments	-	-

The company doesn't have any commitments for the year ended March 31, 2024 and for the year ended March 31, 2023.

37 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 year the Company has incurred the following expenditure in CSR activities:

Particulars	As at March 31, 2024	As at March 31, 2023
Promoting Healthcare	24	53
Promotion of Education	-	4
Environmental causes	60	5
Total expenditure in CSR activities	84	62
a) Amount required to be spent by the Company during the year	84	62
b) Amount spent during the year:		
(i) Construction/acquisition of Asset	-	-
(ii) On purposes other than (i) above	84	62
Total amount spent/required to be spent during the year	84	62
Shortfall/(surplus) for the year (a - b)	-	-*

Note: i) There are no related party transactions entered during the year for CSR activities.

ii) There are no unspent CSR amount. Hence, provision for liability is not recognised.

* Represents value less than 0.5 lakhs, Rs.0.06 lakh for year ended March 31, 2023.

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Notes to the standalone Ind AS financial statements for the year ended March 31, 2024

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38 Ratios

The various ratios for the period ended March 31, 2024 and year ended March 31, 2023 are as below:

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Variance in %
Current ratio (in times)	Current assets	Current liabilities	2.82	3.08	-8.23%
Debt-Equity Ratio (in times)	Total Debt (representing lease liabilities)	Shareholders Equity	0.03	0.04	-31.75%
Debt Service Coverage ratio (in times)	Earnings available for debt service	Debt Service (representing lease liabilities)	9.17	7.89	16.09%
Return on equity ratio (in %)	Total comprehensive income	Average shareholders Equity	25.05%	29.88%	-4.83%
Inventory turnover ratio ⁽¹⁾	Cost of goods sold	Average inventory	NA	NA	NA
Trade receivables turnover ratio (in times)	Net credit sales	Average trade receivable	2.42	2.58	-6.34%
Trade payables turnover ratio (in times)	Net credit purchases ⁽²⁾	Average trade payables	8.77	8.28	5.89%
Net Capital turnover ratio (in times)	Revenue	Working capital	0.79	0.65	22.96%
Net profit ratio (in %)	Net profit after taxes	Revenue	45.65%	54.88%	-9.23%
Return on Capital employed (in %)	EBIT	Average capital employed	29.10%	36.63%	-7.53%
Return on investment (in %)	Income generated from investments	Time weighted average investments	4.88%	4.32%	0.56%

1) The company has no inventory. Hence, inventory turnover ratio is not applicable.

2) Net credit purchases represent purchases made for services and other expenses

Reasons for variance above 25%

a) Debt equity ratio: Increase in shareholders equity leading to the variance.

39 Other notes accompanying the standalone financial statements

a) 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.

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

c) The Company has only one operating segment and monitors its performance for the business as a whole, hence segment reporting is not applicable.

d) No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

e) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

f) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

g) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

h) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

i) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

j) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

k) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

l) There are no immovable properties in the Company other than properties taken on lease.

For BSD & CO

Chartered Accountants

Firm registration number: 000312S

Rishav Saraf

Partner

Membership No: 230591

Date: 20 August 2024

Place: Bangalore

For and on behalf of the Board of Directors of

National E-Governance Services Limited

N.S. Vishwanathan

Director

DIN: 09568559

Debajyoti Ray Chaudhuri

Managing Director & CEO

DIN: 09242571

Vinod Shenoy M.

Chief Financial Officer

Date: 20 August 2024

Place: Bangalore

Nivedita E.P.

Executive Director & CRO

Padmavathy S.

Company Secretary

M.No: A37997

BSD & CO.

Chartered Accountants



Head Office:

No 14/3, 10th 'C' Main,
Jayanagar 1st Block, Bengaluru- 560 011, India.

Tel: 080- 4851 7108/ 4218 4686

E-mail: bangalore@bsdgroup.in

INDEPENDENT AUDITORS' REPORT(REVISED)

To the members of M/s. National E-Governance Services Limited:

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **M/s. National E-Governance Services Limited** (hereafter referred to as “the Holding Company”), and its subsidiaries (holding company and its subsidiaries together referred to as “the Group”), as listed in Annexure “A”, which comprise the consolidated Balance Sheet as at 31st March 2024, 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 31,2024, and its consolidated profit(including other comprehensive loss), consolidated changes in Equity and its consolidated cash flows for the year ended on that date.

We have issued an Audit Report dated 20thAugust, 2024 (the Original report) at Bengaluru on the financial statements as adopted by the Board of Directors on even date. Pursuant to the observation of Comptroller and Auditor general of India under Section 143 (6)(a) of the Companies Act, 2013, we have revised the said Audit Report. The revised report has no impact on the reported figures in the financial statements of the Company. This audit report supersedes the original report which has been suitably revised to consider observations of Comptroller and Auditor General of India.

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 together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial statements.

Branches:

No.810, Antriksh Bhawan, 22, Kasturba Gandhi Marg,
New Delhi – 110 001.

No.201, Lakshya Enclave, 15/3, Old Palasia,
Indore – 452 001.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Below Key Audit Matters have been reproduced from the report, dated July 25, 2024, on the audit of standalone financial statements of NESL Asset Data Limited, a subsidiary of the Holding Company.

The auditors of the subsidiary company have performed following audit procedures :-

Key Audit Matters	Auditor's Response
<p data-bbox="229 853 804 887">Revenue Recognition</p> <p data-bbox="229 920 804 1144">The Company provides 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:</p> <ol data-bbox="229 1144 804 1704" style="list-style-type: none"> <li data-bbox="229 1144 804 1447">1. For annual subscription for AA services and AMC (annual maintenance contract) offered in bulk (and not on per transaction basis or on completion of specific event), over time for which services are contracted to be provided as the AA or AMC services are made available on when if basis during such tenure. <li data-bbox="229 1447 804 1704">2. For others, as and when the services are provided. If a revenue recognition event meets criteria for net basis accounting under, the related costs like revenue share is netted off against such revenue recognized instead of showing such related costs separately as an expense. <p data-bbox="229 1704 804 1845">Unbilled revenue and deferred revenue represent contract assets and contract liabilities respectively.</p>	<p data-bbox="804 853 1372 887">Audit Procedure Performed</p> <ol data-bbox="804 920 1372 1671" style="list-style-type: none"> <li data-bbox="804 920 1372 1066">1. Evaluation of the Company's revenue recognition accounting policies and assessing compliance with the policies in terms of IND AS 115. <li data-bbox="804 1066 1372 1178">2. Evaluation of internal control activities over revenue recognition and testing of key controls. <li data-bbox="804 1178 1372 1256">3. Analysis of significant sales contracts to verify correct IND AS accounting treatment. <li data-bbox="804 1256 1372 1368">4. Testing timeliness of revenue recognition by comparing individual sales transactions to delivery documents. <li data-bbox="804 1368 1372 1480">5. Testing of accounts receivables by requesting confirmations from the company's customers. <li data-bbox="804 1480 1372 1559">6. Verified that unbilled revenue is recorded in the correct accounting period. <li data-bbox="804 1559 1372 1671">7. Verified that deferred revenue is recognized appropriately over time or upon the fulfilment of performance obligations.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report (including Annexures to Board's Report), but does not include the Consolidated financial statements and our auditors' report thereon. The Boards' Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it is made available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our 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.

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in Equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the Companies included in Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Company's financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 Standards on Auditing (SAs), we exercise professional judgment and maintain professional scepticism 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 financial 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 the 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 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.
- 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 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, 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of both the subsidiaries whose financial statements reflect total assets of Rs.1, 22,337 thousand as at March 31, 2024, total revenue of Rs. 17,841 Thousand and net cash flows amounting to Rs.4,043 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 the these subsidiaries and our report in terms sub-section (3) of the Section 143 of the Act, in so far as its relates to aforesaid subsidiaries, is bases solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Other Matters

Our Audit report dated 20th August,2024 having UDIN :24230591BKADBD4823 is revised in response to the comments of the Comptroller & Auditor General of India dated 24th October, 2024. Based on comments of the Comptroller & Auditor General of India, we have made the following changes in our Audit report-

1. Compliance to Directions have been included.

Report on Other Legal and Regulatory Requirements

- 1) In our opinion, the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in “**Annexure B**” statement of 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 of the aforesaid consolidated financial statements.
 - (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 except for the matters stated in paragraph (h)(vi) below on reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of changes in Equity and Statement of Cash Flows dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 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 31st March, 2024 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 Group and the operating effectively of such controls, refer to our separate Report in “**Annexure C**”
 - (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.

- (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 Group does not have pending litigations, which would impact its financial position.
 - ii. The Group 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.
 - iv. The respective management of the Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief:
 - a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) No funds have been received by the company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries, and
 - c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiary companies whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor's to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
 - v. No dividend has been declared or paid during the year by the Holding Company or any of such subsidiaries.

- vi.(a) Based on our examination, which included test checks, the Holding Company or its subsidiary Companies has used accounting software for maintaining its books of account for the financial year ended 31 March, 2024, which has feature of recording audit trail (edit log) facility. However, the audit trail feature can be disabled at the option of the management and same is not in compliance of the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014. However, we did not come across any instance of the audit trail feature being tampered with, during the course of our audit.
- (b) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1,2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules,2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31,2024.
- 3) On the basis of such checks of the books and records of the Holding Company or its subsidiary Companies, 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 D**”

For B S D & Co.,
Chartered Accountants
Firm Registration No: 000312S

Date: 19-11-2024
Place: Bengaluru

Rishav Saraf
Partner
Membership No: 230591
UDIN: 24230591BKADGZ5857



BSD & CO.
Chartered Accountants



ANNEXURE A

List of entities consolidated as at 31st March, 2024

Sl. No	Name of the Company	Relationship with the holding Company
1	NESL Asset Data Limited	Subsidiary
2	NESL E-Infrastructure Limited	Subsidiary

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

(Referred to in paragraph 1 under ‘Report on other Legal and Regulatory Requirements’ section of our report of even date to the Members of National E-Governance Services Limited on the Consolidated Financial Statements as of and for the year ended March 31,2024)

According to the information and explanations given to us following Companies included in the consolidated financial statements, have certain remarks included in their reports under companies (Auditor’s Report) Order,2020 (“CARO”), which have been reproduced as per the requirements of the Guidance Note on CARO :-

SL. No	Name of the Company	CIN	Holding Company/Su bsidiary Company	Date of the respective auditor’s report	Paragraph number in the respective CARO reports
1	National E-Governance Services Limited	U72900MH2016GO1282855	Holding Company	20-08-2024	-
2	National E-Infrastructure Limited	U72200MH2017GO1302982	Subsidiary Company	20-07-2024	xvii
3	NESL Asset Data Limited	U72400MH2017GO1299499	Subsidiary Company	25-07-2024	xvii

For B S D & Co.,
Chartered Accountants
Firm Registration No: 000312S

Date: 19-11-2024
Place: Bengaluru

Rishav Saraf
Partner
Membership No: 230591
UDIN: 24230591BKADGZ5857

ANNEXURE “C” TO THE INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of the 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 Holding Company”), its subsidiary Companies, which are incorporated in India as of that date. In conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and 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 (Guidance Note) issued by the India 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 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 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 reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and is such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial Controls 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 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 evidences obtained by the other auditors in terms of their reports referred to in other matters paragraph below, is sufficient and Appropriate to provide a basis for our audit opinion on the Internal financial controls over financial reporting of the Holding Company and its subsidiary Companies.

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 purpose 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, is 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 accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company ;and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections if 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.

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 incorporated in India, have, in all material aspects, adequate internal financial controls over financial reporting and such controls were operating effectively as at March 31, 2024, based on the internal controls over financial reporting criteria established by the respective companies 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.



B S D & CO.

Chartered Accountants



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 its relates to two subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such Companies.

For B S D & Co
Chartered Accountants
Firm Reg. No: 000312S

Date: 19-11-2024
Place: Bengaluru

Rishav Saraf
Partner
Membership No: 230591
UDIN: 24230591BKADGZ5857

ANNEXURE “D” 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 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	<p>We have gone through the Standalone audit reports of the Holding and Subsidiary Companies:</p> <p>The holding Company is using the BDO India LLP e-invoicing tool and Webtel e-invoicing tool along with other computer programmes to process all the accounting transactions electronically. Transactions from the above software are then posted manually in the accounting software used by the holding Company. However, there are no financial implications of processing of accounting transactions outside IT System.</p> <p>In respect of the subsidiary company NeIL, where statutory auditor has reported as follows:</p> <p>The Company uses tally ERP Package for its record keeping and accounting function, however the invoices are prepared manually in word format and management is having adequate system in place to process the accounting transactions related to invoicing outside IT system. There are no implications on the integrity of the accounts or financial implications.</p> <p>In respect of the subsidiary company NADL, where statutory auditor has reported as follows:</p> <p>The Company has system in place to process all accounting transactions through IT System.</p>

BSD & CO.

Chartered Accountants



		To the best of our information and knowledge, no accounting transactions are processed outside IT system. Hence, there are no implications on the integrity of the accounts or financial implications.
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. Whether such case are properly accounted for? (In case, the lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company).	The Companies in the group have not availed any facilities from Banks/ Financial Institutions during the year under audit and in the previous year. Hence restructuring of an existing loan or cases if waiver/ write off to debts/loans/interest etc does not arise.
3	Whether funds (grants/subsidiary etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for utilized as per its terms and conditions? List the cases of deviation.	No funds (grants/subsidy etc.) were received for specific schemes from Central/State Government or its Agencies by the Companies in the group.

For B S D & Co
Chartered Accountants
Firm Registration No: 000312S

Date: 19-11-2024
Place: Bengaluru

Rishav Saraf
Partner
Membership No: 230591
UDIN: 24230591BKADGZ5857

C&AG COMMENTS ON CONSOLIDATED FINANCIAL STATEMENTS

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 2024

The preparation of consolidated financial statements of National E-Governance Services Limited for the year ended 31 March 2024 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 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 Revised Audit Report dated 19 November 2024 which supersedes their earlier Audit Report dated 20 August 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of National E-Governance Services Limited for the year ended 31 March 2024 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of National E-Governance Services Limited but did not conduct a supplementary audit of the financial statements of NESL E-Infrastructure Limited and NESL Asset Data Limited for the year on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. After the audit, comment of C&AG was issued on the Statutory Auditor for not reporting on the Directions issued by the C&AG under Section 143(5) of the Companies Act 2013 in their independent Auditor's Report. Based on the comments, the Statutory Auditors have included the compliance to Directions to C&AG issued under Section 143(5) of the Companies Act 2013 in their revised Independent Auditor's Report.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to comment upon or supplement to revised statutory auditor's report under Section 143(6) (b) read with section 129(4) of the Act.

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

Sd/-
(Sandip Roy)
Director General of Audit (Shipping), Mumbai

Place: Mumbai
Date: 29.11.2024

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Consolidated Balance Sheet as at Mar 31, 2024

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

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	79	88
Right-of-use assets	8	578	657
Other intangible assets	6	155	200
Intangible assets under development	9	5	-
Financial assets			
Investments	10	5,069	2,851
Other financial assets	12	4,911	2,361
Deferred tax assets (net)	23	372	253
Other non-current assets	15	13	15
		11,182	6,425
Current assets			
Financial assets			
Investments	10	814	374
Trade receivables	11	5,556	4,691
Cash and cash equivalents	13	2,844	1,358
Bank balances other than cash and cash equivalents	14	11,040	12,350
Other financial assets	12	18	2
Current tax assets (net)	23	523	256
Other current assets	15	250	195
Total current assets		21,045	19,226
Total assets		32,227	25,651
Equity And Liabilities			
Equity			
Equity share capital	17	7,500	7,500
Other equity	18	13,428	8,875
Total equity		20,928	16,375
Liabilities			
Non current liabilities			
Financial liabilities			
Lease liabilities	8	494	519
Provisions	19	239	219
Other non-current liabilities	22	3,126	2,299
Total non-current liabilities		3,859	3,037
Current liabilities			
Financial liabilities			
Lease liabilities	8	137	228
Trade payables			
a) Total outstanding dues of micro and small enterprises	20	18	34
b) Total outstanding dues of creditors other than micro and small enterprises	20	556	303
Other financial liabilities	21	534	323
Other current liabilities	22	6,094	5,015
Provisions	19	101	102
Current tax liabilities (net)	23	-	234
Total current liabilities		7,440	6,239
Total liabilities		11,299	9,276
Total equity and liabilities		32,227	25,651

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

This is the consolidated Balance Sheet referred to in our report of even date.

For BSD & CO

 Chartered Accountants
 Firm registration number: 0003125

 Rishav Saraf
 Partner
 Membership No: 230591

 Date: 20 August 2024
 Place: Bangalore

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

 N.S. Vishwanathan
 Director
 DIN: 09568559

 Debajyoti Ray Chaudhuri
 Managing Director & CEO
 DIN: 09242571

 Vinod Shenoy M.
 Chief Financial Officer
 Date: 20 August 2024
 Place: Bangalore

 Nivedita E.P.
 Executive Director & CRO

 Padmavathy S.
 Company Secretary
 M.No: A37997

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Consolidated Statement of Profit and Loss for the year ended March 31, 2024

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

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	24	10,632	8,205
Other income	25	1,269	860
Total income		11,901	9,065
Expenses			
Cost of services	26	2,198	1,060
Employee benefit expenses	31	2,218	1,830
Finance costs	27	43	61
Depreciation and amortization expense	28	292	680
Impairment loss	29	-	(2)
Provision for onerous contract	29	-	(580)
Other expenses	30	1,055	615
Total expenses		5,806	3,664
Profit before tax		6,095	5,401
Tax expense			
Current tax	23	(1,652)	(1,370)
Adjustments of tax relating to previous year	23	-	(1)
Deferred tax	23	117	54
Total tax expense		(1,535)	(1,317)
Profit for the year		4,560	4,084
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurements of defined benefit plan actuarial gains/ (losses)		(9)	(12)
Income tax relating to these items		2	3
Total other comprehensive income/ (net of tax)		(7)	(9)
Total comprehensive income for the year		4,553	4,075
Earnings per equity share attributable to owners of the parent			
Basic earnings per share (amount in ₹ per share)	32	6.08	5.45
Diluted earnings per share (amount in ₹ per share)	32	6.08	5.45

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the consolidated Statement of Profit and Loss referred to in our report of even date.

For BSD & CO

Chartered Accountants
Firm registration number: 000312S
Rishav Saraf
Partner
Membership No: 230591

Date: 20 August 2024
Place: Bangalore

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

N.S. Vishwanathan
Director
DIN: 09568559

Debajyoti Ray Chaudhuri
Managing Director & CEO
DIN: 09242571

Nivedita E.P.
Executive Director & CRO

Vinod Shenoy M.
Chief Financial Officer
Date: 20 August 2024
Place: Bangalore

Padmavathy S.
Company Secretary
M.No: A37997

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

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

a) Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos. in Lakhs	Amount	Nos. in Lakhs	Amount
At the beginning of the year	750	7,500	750	7,500
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	750	7,500	750	7,500
Changes during the year	-	-	-	-
At the end of the year	750	7,500	750	7,500

Refer note 17, for equity shareholders holding of 5% or more

b) Other equity

Particulars	Retained earnings	Total
Balance as at April 1, 2022	5,557	5,557
Changes in accounting policy or prior period errors	-	-
Restated balance at the April 1, 2022	5,557	5,557
Profit for the year	4,084	4,084
Other comprehensive income	(9)	(9)
Dividends:		
Interim dividend (2022-23 @ Rs 1 per share)	(750)	(750)
Share issue expenses net of taxes	(7)	(7)
Balance as at March 31, 2023	8,875	8,875
Balance as at April 1, 2023	8,875	8,875
Changes in accounting policy or prior period errors	-	-
Restated balance at the April 1, 2024	8,875	8,875
Profit for the year	4,560	4,560
Other comprehensive income not reclassifiable to profit and loss	(7)	(7)
Balance as at March 31, 2024	13,428	13,428

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

This is the consolidated Statement of Changes in Equity referred to in our report of even date.

For BSD & CO

Chartered Accountants
Firm registration number: 000312S
Rishav Saraf
Partner
Membership No: 230591

Date: 20 August 2024
Place: Bangalore

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

N.S. Vishwanathan
Director
DIN: 09568559

Debajyoti Ray Chaudhuri
Managing Director & CEO
DIN: 09242571

Nivedita E.P.
Executive Director & CRO

Vinod Shenoy M.
Chief Financial Officer
Date: 20 August 2024
Place: Bangalore

Padmavathy S.
Company Secretary
M.No: A37997

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Consolidated Statement of Cash Flows for the for the year ended March 31, 2024

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

Accounting Policy:

Cash flows are reported using the indirect method as set out in Ind AS 7, 'Statement of Cash Flows', whereby profit/(loss) for the year before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be classified as cash equivalents.

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Cash Flow from Operating Activities			
Profit for the year		6,095	5,401
Adjustment for			
Depreciation and amortization expense		292	680
Gain on redemption of mutual funds		(35)	(5)
(Gain)/loss on remeasurement of mutual funds at fair value		(5)	(17)
Interest on fixed deposits		(914)	(718)
Interest on government securities		(309)	(106)
Finance costs		43	45
Impairment loss		-	(2)
Provision for onerous contract		-	(580)
Assets written off*		-	-
(Profit)/loss on sale of assets		-	(3)
Insurance claim received in excess of w.d.v of lost asset		-	-*
(Gain)/loss on lease modification (IndAS 116)		1	5
Change in operating assets and liabilities			
Increase/(decrease) in trade payables		236	55
Increase/(decrease) in other financial liabilities		211	165
Increase/(decrease) in other liabilities		1,906	1,951
Increase/(decrease) in provisions		10	36
(Increase)/decrease in trade receivables		(865)	(1,551)
(Increase)/decrease in other financial assets		(4)	7
(Increase)/decrease in other assets		(53)	(70)
Cash generated from operations		6,609	5,293
Income Taxes paid		(2,153)	(1,418)
Net cash inflow/(outflow) from operating activities (A)		4,456	3,875
Cash flow from investing activities			
Payments for property plant and equipment		(25)	(48)
Payment for intangible assets and intangible assets under progress		(19)	(55)
Proceeds from sale of property, plant and equipment		-	6
Investment in fixed deposits		(10,352)	(12,588)
Proceeds from redemption/maturity of fixed deposits		9,182	11,712
Interest received on investments		835	631
Payment to acquire liquid mutual funds		(780)	(100)
Proceeds from redemption of mutual funds		380	140
Investment in government securities		(2,182)	(2,073)
Interest received on government securities		273	79
Net cash inflow/(outflow) from investing activities (B)		(2,688)	(2,296)
Cash flow from financing activities			
Payment of principal element of lease liabilities		(237)	(261)
Payment of interest on lease liabilities		(45)	(47)
Payment of interim dividend		-	(750)
Share issue expenses		-	(7)
Net cash inflow/(outflow) from financing activities (C)		(282)	(1,065)
Net increase in cash or cash equivalents		1,486	514
Cash and cash equivalent at the beginning of the financial year		1,358	844
Cash and cash equivalent at the end of the year		2,844	1,358
Components of cash and cash equivalents			
Balances with banks			
In current account	13	544	593
In deposit account with original maturity within 3 months from the date of deposit	13	2,292	764
Income accrued but not due on deposits with original maturity within 3 months from the date of deposit	13	8	1
Cash on hand	13	-	-*
Total cash and cash equivalents		2,844	1,358

*represents value less than 0.5 lakhs.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Consolidated Statement of Cash Flows referred to in our report of even date.

For BSD & CO

 Chartered Accountants
 Firm registration number: 000312S
 Rishav Saraf
 Partner
 Membership No: 230591

For and on behalf of the Board of Directors of

National E-Governance Services Limited

 N.S. Vishwanathan
 Director
 DIN: 09568559

 Debajyoti Ray Chaudhuri
 Managing Director & CEO
 DIN: 09242571

 Nivedita E.P.
 Executive Director & CRO

 Date: 20 August 2024
 Place: Bangalore

 Vinod Shenoy M.
 Chief Financial Officer
 Date: 20 August 2024
 Place: Bangalore

 Padmavathy S.
 Company Secretary
 M.No: A37997

Overview**1 Company overview**

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 "NaDL"	08-09-2017
NESL E-Infrastructure Limited "NEiL"	18-12-2017

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, 2024 were approved by the Board of Directors and authorized for issue on August 20, 2024.

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 March 31, 2024.

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 material accounting policy information used in preparation of the consolidated financial statements have been discussed in the respective notes.

2 Basis of preparation

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 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 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 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 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.

Assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified 12 months as its operating cycle.

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 lakhs during the current year as per the requirement of Schedule III Division 2, unless otherwise stated, accordingly the previous year comparative are also rounded off to nearest lakhs, unless otherwise stated.

3 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.

4 Critical accounting assumptions, estimates and judgments

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 recognised 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:

- Estimated useful life of intangible assets (refer note 6)
- Estimated useful life and residual value of property, plant and equipment (refer note 5)
- Assessment of Performance obligation in revenue recognition including timing of satisfaction of performance obligation, allocation of transaction price, presence of material right to purchase additional services, presence of significant financing component and amounts allocated to performance obligations (refer note 24)
- Estimation of defined benefit obligation (refer note 31)
- Estimation of provisions (refer note 19)
- Recognition of deferred taxes (refer note 23)
- Impairment of trade receivables (refer note 11)
- Estimated useful life and implicit interest rate/incremental borrowing rate used for recognizing Right of Use assets and lease liabilities respectively (refer note 8)

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

Notes to the Consolidated Financial Statements**5 Property Plant and Equipment****Accounting policy:**

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 derecognised 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 recognised in Statement of Profit and Loss. An individual item of property, plant and equipment with value less than Rs 5,000/- is not recognised 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 Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised 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.

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.

The changes in the carrying amount of property, plant and equipment for the year ended March 31, 2024 are as follows:

Particulars	Vehicles	Computers	Servers and networks	Furniture and fittings	Leasehold premises improvements	Office Equipment's	Total
Cost:							
Gross carrying amount as at April 1, 2023	35	122	24	2	26	42	251
Additions	-	23	1	-	-	1	25
Disposal/adjustment	-	-	-	-	-	-	-
Gross carrying amount as at March 31, 2024	35	145	25	2	26	43	276
Accumulated depreciation:							
Balance as at April 1, 2023	7	90	18	1	23	24	163
Depreciation	6	22	2	-	-	4	34
Accumulated depreciation on disposal/adjustment	-	-	-	-	-	-	-
Disposal/adjustment	-	-	-	-	-	-	-
Balance as at March 31, 2024	13	112	20	1	23	28	197
Carrying amount as at March 31, 2024	22	33	5	1	3	15	79

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

The changes in the carrying amount of property, plant and equipment for the year ended March 31, 2023 are as follows:

Particulars	Vehicles	Computers	Servers and networks	Furniture and fittings	Leasehold premises improvements	Office Equipment's	Total
Cost:							
Gross carrying amount as at April 1, 2022	22	111	23	2	25	31	214
Additions	24	13	1	-	2	11	51
Disposal/adjustment	(11)	(2)	-	-	(1)	-	(14)
Gross carrying amount as at March 31, 2023	35	122	24	2	26	42	251
Accumulated depreciation:							
Balance as at April 1, 2022	9	68	15	1	23	19	136
Depreciation	6	23	3	-	1	5	37
Accumulated depreciation on disposal/adjustment	(8)	(1)	-	-	(1)	-	(10)
Disposal/adjustment	-	-	-	-	-	-	-
Balance as at March 31, 2023	7	90	18	1	23	24	163
Carrying amount as at March 31, 2023	28	32	6	1	3	18	88

6 Intangible assets**Accounting policy:**

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 recognised 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

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

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.

The changes in the carrying amount of intangible assets for the year ended March 31, 2024 are as follows:

Particulars	IU License fees	AA software	Other software	Total
Cost:				
Gross carrying amount as at April 1, 2023	50	191	50	291
Additions	-	10	4	14
Disposal/adjustment	-	-	-	-
Gross carrying amount as at March 31, 2024	50	201	54	305
Accumulated amortisation:				
Balance as at April 1, 2023	5	57	32	94
Amortisation	10	39	7	56
Accumulated amortisation on disposal/adjustment	-	-	-	-
Balance as at March 31, 2024	15	96	39	150
Carrying amount as at March 31, 2024	35	105	15	155

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

The changes in the carrying amount of intangible assets for the year ended March 31, 2023 are as follows:

Particulars	IU software	IU License fees	AA software	Other software	Total
Cost:					
Gross carrying amount as at April 1, 2022	1,515	50	191	45	1,801
Additions	-	50	-	5	55
Disposal/adjustment	-	(50)	-	-	(50)
Gross carrying amount as at March 31, 2023	1,515	50	191	50	1,806
Accumulated amortisation:					
Balance as at April 1, 2022	1,211	45	19	25	1,299
Amortisation	303	10	38	7	359
Accumulated amortisation on disposal/adjustment	-	(50)	-	-	(50)
Balance as at March 31, 2023	1,514	5	57	32	1,608
Carrying amount as at March 31, 2023	1	45	134	18	198

7 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 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 recognised immediately in Statement of Profit and Loss.

A previously recognised 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 recognised. Such reversal is recognised 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.

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

8 Leases**Accounting policy:**

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 company is reasonably certain to use such identified assets. Such Lease arrangements identified are recorded as 'Right of Use (RoU)' 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.

Right-of-use assets

The changes in the carrying value of Right-of-Use assets for the year ended March 31, 2024 are as follows:

Particulars	Category of RoU assets		Total
	Servers/ virtual machines	Building	
Gross carrying amount as at April 1, 2023	488	845	1,333
Additions	-	125	125
Disposal/adjustment	-	(123)	(123)
Gross carrying amount as at March 31, 2024	488	847	1,335
Accumulated depreciation and impairment:			
Balance as at April 1, 2023	427	249	676
Depreciation	61	141	202
Accumulated depreciation on disposal/adjustment	-	(121)	(121)
Balance as at March 31, 2024	488	269	757
Net carrying amount as at March 31, 2024	-	578	578

The changes in the carrying value of Right-of-Use assets for the year ended March 31, 2023 are as follows :

Particulars	Category of RoU assets		Total
	Servers/ virtual machines	Building	
Gross carrying amount as at April 1, 2022	396	790	1,186
Additions	92	55	147
Disposal/adjustment	-	-	-
Gross carrying value as at March 31, 2023	488	845	1,333
Accumulated depreciation and impairment:			
Balance as at April 1, 2022	297	97	394
Depreciation	132	152	284
Accumulated depreciation on disposal/adjustment	-	-	-
Reversal of impairment on RoU	(2)	-	(2)
Balance as at March 31, 2023	427	249	676
Net carrying amount as at March 31, 2023	61	596	657

The aggregate depreciation expense on RoU assets is included under depreciation and amortization expense in the Consolidated Statement of Profit and Loss.

Lease liabilities

The break-up of current and non-current lease liabilities as at March 31, 2024 and March 31, 2023 is as follows :

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liability - non current	494	519
Lease liability - current	137	228
Total lease liabilities	631	747

National E-Governance Services Limited

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Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

The movement in lease liabilities during the years ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	747	856
Additions	123	154
Finance cost accrued during the period	43	45
Payment of lease liabilities	(282)	(308)
Balance at the end	631	747

Maturity analysis of lease liability as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Future lease payments (undiscounted)		
2023-24	-	270
2024-25	179	148
2025-26	185	156
2026-27	193	163
2027-28	157	128
2028-29	17	-
Total future lease payments (undiscounted)	731	865
Total future finance costs	(100)	(118)
Lease liability	631	747
Current lease liabilities	137	228
Non-current lease liabilities	494	519

Expenses relating to short term leases or low value leases as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Expenses relating to short term leases	106	-
Expenses relating to leases of low-value	1	1
Total	107	1

Note: During the year ended March 31, 2024, the original lease term of servers on lease has ended and the agreement was renewed for a term of less than 12 months. The expenses relating to the servers has been accounted as a short-term lease.

Net debt reconciliation of the Company as at March 31, 2024 and March 31, 2023 is as below:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	2,844	1,358
Liquid investments+	814	374
Lease liabilities	(631)	(747)
Net debt	3,027	985

+ Liquid investments comprise current investments that are traded in an active market, being the Company's financial asset held at fair value through profit and loss.

Particulars	Other assets		Liabilities from financing activities	Total
	Cash and cash equivalents	Liquid investments	Lease liabilities	
Net debt as at April 1, 2023	1,358	374	(747)	985
Cash flows	1,486	400	237	2,123
Additions to lease liability	-	-	(123)	(123)
Interest expense	-	-	(43)	(43)
Interest paid	-	-	45	45
Gain on redemption and fair value adjustment	-	39	-	39
Net debt as at March 31, 2024	2,844	813	(631)	3,026
Net debt as at April 1, 2022	844	392	(856)	380
Cash flows	514	(40)	261	735
Additions to lease liability	-	-	(154)	(154)
Interest expense	-	-	(45)	(45)
Interest paid	-	-	47	47
Gain on redemption and fair value adjustment	-	22	-	22
Net debt as at March 31, 2023	1,358	374	(747)	985

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

9 Intangible assets under development

Intangible assets under development as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Trademarks under progress*	-*	-*
AA software under progress	5	-
Total intangible assets under development	5	-

*During the year ended March 31, 2023, the Company has applied for registration of trademark of logos related to Electronic Bank Guarantee and DDE, which is under progress with the trademark authority as on 31st March 2024.

The intangible assets under development ageing schedule for the year ended March 31, 2024 is as follows:

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5	-*	-	-	5
Projects temporarily suspended	-	-	-	-	-

The intangible assets under development ageing schedule for the year ended March 31, 2023 is as follows:

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-*	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

*represents value less than 0.5 lakhs, Rs. 0.31 lakhs and Rs. 0.31 lakhs for year ended March 31, 2024 and March 31, 2023 respectively

10 Investments

Particulars	As at March 31, 2024	As at March 31, 2023
Non current investments:		
Investments in government securities at amortised cost		
Investment in IN1520220030 7.82% Gujarat SDL 2032	210	210
Investment in IN1520220055 7.80% Gujarat SDL 2032	196	196
Investment in IN1520220063 7.77% Gujarat SDL 2032	175	175
Investment in IN1520220253 7.71% Gujarat SGS 2033	755	755
Investment in IN1920200434 6.50% Karnataka SDL 2030	59	59
Investment in IN1920200459 6.53% Karnataka SDL 2030	192	192
Investment in IN1920220028 7.67% Karnataka SGS 2032	309	309
Investment in IN1920230027 7.69% Karnataka SGS 2033	465	-
Investment in IN2220220189 7.74% Maharashtra SGS 2033	252	252
Investment in IN2220230113 7.46% Maharashtra SGS 2033	733	-
Investment in IN3120200222 6.33% Tamil Nadu SDL 2030	236	236
Investment in IN3120200347 6.57% Tamil Nadu SDL 2031	64	64
Investment in IN3120200362 6.95% Tamil Nadu SDL 2030	200	200
Investment in IN3120220105 7.64% Tamil Nadu SDL 2032	203	203
Investment in IN3120230096 7.39% Tamilnadu SGS 2033	511	-
Investment in IN3120230138 7.44% Tamilnadu SGS 2033	509	-
Total investments in government securities	5,069	2,851
Total non-current investments	5,069	2,851
Current investments:		
Investments in mutual funds (quoted) measured at fair value through Profit and Loss (1)		
Investment in LD72SG SBI Liquid Fund Direct Growth 2,311,299 units (PY: 10,624,288 units) at market price (NAV).	87	374
Investment in LD48IG SBI Short Term Debt Fund-Direct Plan Growth 23,70,181,3680 units (PY: Nil) at market price (NAV)	727	-
Total current investments	814	374
Total investments	5,883	3,225
Aggregate amount of quoted investment	5,882	3,225
Market value of quoted investment	5,833	3,157
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments.	-	-

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.

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

11 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables considered good - Secured;	-	-
Trade Receivables considered good - Unsecured;		
Receivable from others	5,743	4,691
Trade Receivables - credit impaired	-	-
Receivable from others	9	68
Sub-total	5,752	4,759
Impairment Allowance (Allowance for bad and doubtful debts)		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	-	-
Receivable from others	187	-
Trade Receivables - credit impaired	-	-
Receivable from others	9	68
Total	196	68
Total trade receivables	5,556	4,691

Note: For the previous year ended March 31, 2023, Unbilled revenue of Rs. 14 lakhs grouped under Other financial assets has been regrouped to Trade receivables.

Ageing of Trade receivables outstanding as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	6	2,701	2,392	480	162	2	-	5,743
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	1	-	6	2	-	9
Total trade receivables due	6	2,701	2,393	480	168	4	-	5,752
Less: Allowance for credit loss								196
Total trade receivables								5,556

Ageing of Trade receivables outstanding as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	14	2,550	1,824	254	28	21	-	4,691
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	1	20	47	-	68
Total trade receivables	14	2,550	1,824	255	48	68	-	4,759
Less: Allowance for credit loss								68
Total trade receivables								4,691

12 Other financial assets:

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current other financial assets		
Security deposit	58	53
Bank deposits with maturity more than 12 months from balance sheet date	4,845	2,300
Income accrued but not due on deposits with maturity more than 12 months from balance sheet date	8	8
Total non-current other financial assets	4,911	2,361
Current other financial assets		
Security deposits	3	2
Income accrued but not due on deposits with maturity more than 12 months from balance sheet date	15	-
Total current other financial assets	18	2
Total other financial assets:	4,929	2,363

Note:

- Security deposits received are initially recognised at fair value under effective interest rate method using discount rate prevalent for FDs of similar term at the time of origination of such deposits and subsequently at amortized cost.
- For the previous year ended March 31, 2023, Unbilled revenue of Rs. 14 lakhs grouped under Other current financial assets are regrouped to Trade receivables.
- For the previous year ended March 31, 2023, Income accrued but not due on fixed deposits of Rs. 311 lakhs grouped under Other current financial assets are regrouped to Other non-current financial assets (Rs. 8 lakhs) and Bank balances other than cash & cash equivalents (Rs. 303 lakhs).
- Deposit amounting to Rs. 3.04 lakhs (PY: Rs. 0.47 lakhs) are held as security/lien towards performance bank guarantee (refer note 41).

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

13 Cash and cash equivalents**Accounting policy:**

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.

The position of cash and cash equivalents are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks		
In current account	544	593
In deposit account with original maturity within 3 months from the date of deposit	2,292	764
Income accrued but not due on deposits with original maturity within 3 months from the date of deposit	8	1
Cash on hand	-	-*
Total cash and cash equivalents	2,844	1,358

*represents value less than 0.5 lakhs, Rs. 0.07 lakhs for year ended March 31, 2023

14 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
In deposit account with maturity within 12 months of balance sheet date*	10,673	12,047
Income accrued but not due on deposits with maturity within 12 months of balance sheet date	367	303
Total Bank balances other than cash & cash equivalents	11,040	12,350

Note:

1. 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 "Bank balances other than cash & cash equivalents".

* This includes an amount of Rs. 12 lakhs (PY: 11.55 lakhs) in fixed deposit, offered as security/lien for the purpose of performance bank guarantee (refer note 41).

15 Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	13	15
Total other non-current assets	13	15

Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
GST input credit/TDS	150	85
GST recoverable	-	3
Prepaid expenses	93	82
Other advances	7	25
Total other current assets	250	195
Total other assets	263	210

Note: In the previous year Income tax paid of Rs. 256 lakhs grouped under Other current assets are regrouped and shown separately on the face of the balance sheet as Current tax assets (net).

16 Financial instruments**Accounting policy:**

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 recognised 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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)

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

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 recognised 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 recognised in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised 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 assessed for and impairment provision is recognised if considered necessary immediately to state the value of net investment to its recoverable value. Recoverable value is higher of the value in use and value in sale for net investment in subsidiary.

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 derecognised (i.e. removed from the balance sheet) when:

- 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 recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised 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. ECL impairment loss allowance (or reversal) recognised during the period is recognised 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 recognised 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 recognised 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 recognised in Statement of Profit and Loss when the liabilities are derecognised 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.

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

De-recognition

A financial liability is derecognised 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 recognised 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 recognised by the Group are recognised 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 recognised amounts and there is an intention either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

a) Fair value measurements

The carrying value and fair value of financial instruments by categories as at the year ended March 31, 2024 and March 31, 2023 are as follows.

Particulars	Note	Carrying value	Fair value	Carrying value	Fair value
		As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Financial assets					
Amortised cost					
Investments in government securities	10	5,069	5,019	374	374
Trade receivables	11	5,556	5,556	4,691	4,691
Cash and cash equivalents	13	2,844	2,844	1,358	1,358
Bank balances other than cash & cash equivalents	14	11,040	11,040	12,350	12,350
Other financial assets	12	4,929	4,929	5,212	5,212
Fair value through profit and loss (FVTPL)			-		
Investments in mutual funds (quoted)	10	814	814	374	374
Total financial assets		30,252	30,202	24,359	24,359
Financial liabilities					
Amortised cost					
Lease liability	8	631	631	747	747
Trade payables	20	574	574	337	337
Other financial liabilities	21	534	534	323	323
Total financial liabilities		1,739	1,739	1,407	1,407

Note: The carrying amount of trade receivable, trade payables, cash & cash equivalents, other financial assets and liabilities are considered to be same as their fair values due to their short term nature.

b) 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 consolidated 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.

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

Financial assets and liability measured at fair value - recurring fair value measurement as at the year ended March 31, 2024

Particulars	Fair value measurement using			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value:				
Investments in mutual funds (quoted)	814	814	-	-
Liabilities measured at fair value:				
-None-	-	-	-	-

Financial assets and liability measured at fair value - recurring fair value measurement as at the year ended March 31, 2023

Particulars	Fair value measurement using			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value:				
Investments in mutual funds (quoted)	374	374	-	-
Liabilities measured at fair value:				
-None-	-	-	-	-

Note: Specific valuation techniques used to value the above financial instruments include the use of quoted market prices

c) Financial risk management:**Financial risk**

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

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's has only domestic operations and has no foreign currency exposure. Accordingly no market risk is perceived.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 5,752 lakhs and Rs. 4,759 lakhs as at March 31, 2024 and March 31, 2023, respectively. Trade receivables are generally unsecured and derived from customers who are major public and private sector banks and large NBFC's. Since, the major customers are large institutions with very good credit ratings the credit risk to the company is negligible. The Group uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables.

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

The details in respect of revenues generated from top five customers and top ten customers are as follows:

Particulars	Billing in Rs. Lakhs		% of total billing	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Revenue from top five customers	5,218	3,784	42%	38%
Revenue from top ten customers	6,711	5,157	54%	51%

The allowance for lifetime expected credit loss on customer balances recognised for the years ended March 31, 2024 and March 31, 2023 is Rs. 198 lakhs and Rs. 25 lakhs, respectively.

The movement in credit loss allowance on customer balance is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	68	43
Impairment loss recognised	198	25
Amounts written off	(70)	-
Balance at the end	196	68

Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time. The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no borrowings. The Group believes that the working capital is sufficient to meet its current requirements.

As at March 31, 2024, the Group had a working capital of Rs 13,605 lakhs including cash and cash equivalents and current bank deposits of Rs.13,884 lakhs and current investments of Rs. 814 lakhs. As at March 31, 2023, the Company had a working capital of Rs. 12,987 lakhs including cash and cash equivalents and current bank deposit of Rs. 13,708 lakhs and current investments of Rs. 374 lakhs. Accordingly no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2024:

Particulars	Less than 1 year	1 to 2 year	More than 2 year	Total
Trade payables	574	-	-	574
Other financial liabilities	534	-	-	534
Lease liabilities on an undiscounted basis (refer note 8)	179	185	367	731

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2023:

Particulars	Less than 1 year	1 to 2 year	More than 2 year	Total
Trade payables	337	-	-	337
Other financial liabilities	323	-	-	323
Lease liabilities on an undiscounted basis (refer note 8)	270	148	447	865

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

17 Equity Share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised share capital		
10,00,00,000 (previous year: 10,00,00,000) number of equity shares of Rs. 10/- each.	10,000	10,000
	10,000	10,000
Issued, subscribed and fully paid-up share capital		
7,50,00,000 (previous year: 7,50,00,000) number of equity shares of Rs 10/- each	7,500	7,500
	7,500	7,500

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares in Lakhs	Amount	Number of shares in Lakhs	Amount
Number of shares at the beginning of the year	750	7,500	750	7,500
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	750	7,500	750	7,500

Note:

(i) The Group 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 Group the holders of the equity shares will be entitled to receive the remaining assets of the Group, 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	As at March 31, 2024		As at March 31, 2023	
	Number of shares in Lakhs	Percentage holding	Number of shares in Lakhs	Percentage holding
Life Insurance Corporation	45	6.00%	45	6.00%
State Bank of India	75	10.00%	75	10.00%
Canara Bank	75	10.00%	75	10.00%
Bank of Baroda (Merged entity)	105	14.00%	105	14.00%
ICICI Bank	74	9.90%	74	9.90%
Axis Bank Ltd.	71	9.50%	71	9.50%
Karnataka Bank Ltd.	45	6.00%	45	6.00%

Particulars of shares held by the promoter group:

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares in Lakhs	Percentage holding	Number of shares in Lakhs	Percentage holding
Life Insurance Corporation	45	6.00%	45	6.00%
State Bank of India	75	10.00%	75	10.00%
Canara Bank	75	10.00%	75	10.00%
Bank of Baroda (Merged entity)	105	14.00%	105	14.00%
New India Assurance Co. Ltd	38	5.00%	38	5.00%
Union Bank of India	38	5.00%	38	5.00%
Central Depository Services (India) Ltd	30	4.00%	30	4.00%
ICICI Bank	74	9.90%	74	9.90%

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 Group has not bought back any shares during the period from the date of inception to March 31, 2024. Further, the Group 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, 2024.

Dividend:

The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Interim dividends are recorded as a liability on the date of declaration by the Group's Board. The Group declares and pays dividends in Indian Rupees. Group are required to pay / distribute dividend after deducting applicable taxes.

The amount of per share dividend recognised (in INR rupees) as distribution to equity shareholders in accordance with Companies Act, 2013 is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Interim dividend for year ended March 31, 2024 and March 31, 2023	-	1

During the year ended March 31, 2023 on account of interim dividend for year ended March 31, 2023, the Group has incurred a cash outflow of Rs. 750 lakhs.

Proposed dividend on equity shares not recognised as liability:

The Board of Directors of the Company have recommended final dividend of Rs. 1 per share of Rs. 10 each for the year ended March 31, 2024. For the proposed dividend the Company expects a cash outflow of Rs. 750 lakhs. The proposed final dividend is subject to shareholders approval at the Annual General Meeting and has not been recognised as a liability in these financial statements.

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

18 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings:		
Opening balance	8,875	5,557
Share issue expenses net of taxes	-	(7)
Add: Profit/(Loss) for the year	4,560	4,084
Add: Other comprehensive income not reclassifiable to profit and loss		
Re-measurements of defined benefit plan actuarial gains/ (losses), net of tax	(7)	(9)
Interim dividend paid (2022-23 @ Rs 1 per share)	-	(750)
Total other equity	13,428	8,875

Note: Retained earnings represents the accumulated undistributed earnings of the Group as at balance sheet date.

19 Provisions**Accounting policy:**

A provision is recognised 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 recognised 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.

Onerous contracts are accounted as per IndAS 37. Such contract entail a provision of present value of obligations net of any economic benefits under such contract. Obligations under such contract is lower of penalties/compensation under contract for exit or incremental cost of fulfilling such contracts, Onerous contract are assessed at the contract level. Any asset supporting such onerous contract is impaired based on assessment of cash flow. The provision for onerous contract is assessed each for reversals, re-adjust the provisions for any change in circumstances and passage of time. The interest expense relating to unwinding of discount with passage of time on such provision is disclosed as finance costs. Any reversal which represents other than ordinary use/application of the provision, like closure of the onerous contract, is recognised separately in the Statement of Profit and Loss at gross and not netted off against the ordinary expenses under such onerous contract.

Provision for employee benefit obligations and expenses is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current provisions		
Employee benefit obligations:		
Provision for gratuity	106	122
Provision for leave encashment	133	97
Total non-current provisions	239	219
Current provisions		
Employee benefit obligations:		
Provision for gratuity	-	21
Provision for leave encashment	15	9
Provision for bonus	86	72
Total current provisions	101	102
Total provisions	340	321

Note:

- In the previous year ended March 31, 2023, Rs. 72 lakhs grouped under Provision for expenses are reclassified separately as Provision for bonus.
- For the previous year ended March 31, 2023, Rs. 111 lakhs shown as provision for expenses are regrouped to Trade payables (Rs. 98 lakhs) and Reimbursements payable (Rs. 8 lakhs) and auditors remuneration payable (Rs. 5 lakhs) under Other current financial assets.
- For details on Provision on gratuity and Provision for leave encashment and compensated absence refer note 30.

Movement of provision as at March 31, 2024

Particulars	Balance as at March 31, 2023	Additions	Allowance for financial effect	Applications/ Reversals	Balance as at March 31, 2024
Provision for bonus	72	85	-	(72)	85
Total provisions	72	85	-	(72)	85

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

Movement of provision as at March 31, 2023

Particulars	Balance as at March 31, 2022	Additions	Allowance for financial effect	Applications/ Reversals	Balance as at March 31, 2023
Provisions (non-current)		-	-		
Provision for onerous contract*	352	-	6	(358)	-
Provisions (current)					
Provision for onerous contract*	212		10	(222)	-
Provision for bonus	55	72	-	(55)	72
Total provisions	619	72	16	(635)	72

***Reversal of provision for onerous contract:**

The Company reviews its contract with vendors from time to time; during the year ended March 31, 2022, the Company has identified certain contracts to be onerous and has provided Rs. 564 lakhs. The amount represents present value of incremental costs net of economic benefits from net contracts as per requirement of Ind AS 37. Subsequently, the Company and the vendor discussed and mutually agreed to set aside the term and pricing under the onerous contract and entered into fresh pricing and tenure to support each others efforts in business. Therefore, the provision under onerous contract Rs 580 lakhs (Rs 564 lakhs opening along with allowance for financial effect of Rs. 16 lakhs upto the date of reversal) has been reversed during the year ended 2023.

20 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	18	34
Total outstanding dues of creditors other than Micro and small enterprises		
Others		
Creditors for supplies & services	556	303
Total Trade payables	574	337

The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified based on the information available with the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
Amount remaining unpaid		
Principal amount due to micro and small enterprises	18	34
Interest due on above	-*	-
Total amount remaining unpaid	18	34
Interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
Interest accrued and remaining unpaid at the end of the year	-*	-
Interest remaining due and payable (pertaining to prior years), until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006	-	-

*represents value less than 0.5 lakhs, Rs. 0.01 lakhs for year ended March 31, 2024

Note:

- For the previous year ended March 31, 2023, Employee benefit expenses of Rs. 3 lakhs grouped under trade payables are regrouped under other liabilities as Employee benefits payable.
- For the previous year ended March 31, 2023, Rs. 98 lakhs shown as provision for expenses are regrouped to Trade payables.

Trade payables outstanding ageing as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<i>Undisputed</i>							
(i) MSME	14	3	1	-	-	-	18
(ii) Others	217	140	196	3	-	-	556
<i>Disputed</i>							
(iii) MSME	-	-	-	-	-	-	-
(iv) Others	-	-	-	-	-	-	-
Total Trade payables	231	143	197	3	-	-	574

Trade payables outstanding ageing as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<i>Undisputed</i>							
(i) MSME	16	18	-	-	-	-	34
(ii) Others	82	120	101	-	-	-	303
<i>Disputed</i>							
(iii) MSME	-	-	-	-	-	-	-
(iv) Others	-	-	-	-	-	-	-
Total Trade payables	98	138	101	-	-	-	337

21 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current other financial liabilities		
Security deposits received	23	33
Auditor's remuneration payable	5	5
Reimbursements payable	8	8
Advances returnable	498	277
Total current other financial liabilities	534	323
Total other financial liabilities	534	323

Note:

1. For the previous year ended March 31, 2023, Rs.13 lakhs shown as Provisions for expenses under Provisions are regrouped to Auditor's remuneration payable (Rs. 5 lakhs) and Reimbursements payable (Rs. 8 lakhs) respectively under Other current financial liabilities.

22 Other liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current other liabilities		
Deferred revenue*	3,126	2,299
Total non-current other liabilities	3,126	2,299
Other current liabilities		
Statutory Liabilities	537	415
Deferred revenue*	5,555	4,597
Employee benefits payable	2	3
Deferred income - Ind AS fair value adjustment ¹	-	-
Advance received from customers - non returnable ²	-	-
Total current other liabilities	6,094	5,015
Total other liabilities	9,220	7,314

+ Deferred revenue are contract liabilities arising from contracts with customers, invoicing in excess of revenue recognised is classified as deferred revenue.

*1 Represents value less than 0.5 lakhs for year ended March 31, 2023 (Rs. 0.01 lakhs)

*2 Represents value less than 0.5 lakhs, 0.07 lakhs for year ended March 31, 2024 and Rs. 0.34 lakhs for year ended March 31, 2023

Note:

1. For the previous year ended March 31, 2023, Employee benefit expenses of Rs. 3 lakhs grouped under trade payables are regrouped under other liabilities as Employee benefits payable.

2. In the previous year Income tax paid of Rs. 234 lakhs grouped under Other current liabilities are regrouped and shown separately on the face of the balance sheet as Current income tax liabilities (net).

The revenue recognition pattern of contract liabilities - deferred revenue as on March 31, 2024 is as below:

Particulars	Within 1 years	1 year to 2 year	2 years and above	Total
Deferred revenue - current	5,555	-	-	5,555
Deferred revenue - non current	-	1,142	1,984	3,126
Total deferred revenue	5,555	1,142	1,984	8,681

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

23 Income taxes**Accounting policy:***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 recognised 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 recognised 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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 recognised outside Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in OCI or in equity in correlation to the underlying transaction).

Income tax expense in the Statement of Profit and Loss is as follows:

Particulars	As at March 31,	As at March 31,
	2024	2023
Current taxes	(1,652)	(1,370)
Adjustments of tax relating to previous year	-	(1)
Deferred taxes	117	54
Income tax expense	(1,535)	(1,317)

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is as follows:

Particulars	As at March 31,	As at March 31,
	2024	2023
Profit before income taxes	6,095	5,401
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	1,534	1,359
Adjustments of tax relating to previous year	-	1
Impact of adoption of different income tax rate in the group	(2)	(2)
Effect of non-deductible expenses	(4)	44
Deferred taxes reversed/(recognised) on c/f losses	7	(85)
Income tax expense	1,535	1,317

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

The details of income tax assets and income tax liabilities as at March 31, 2024 and March 31, 2023 are as follows:

Particulars	As at March	As at March
	31, 2024	31, 2023
Current income tax assets (net)	523	256
Current income tax liabilities (net)	-	234
Net current income tax assets / (liabilities) at the end	523	22

Note: In the previous year the income tax assets of Rs. 256 lakhs and income tax liabilities of Rs. 234 lakhs was grouped under Other current assets and Other current liabilities respectively, this has been regrouped and shown separately on the face of the balance sheet as Current income tax assets (net) and Current income tax liabilities (net) respectively.

The gross movement in the current income tax assets / (liabilities) for the years ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at March	As at March
	31, 2024	31, 2023
Net current income tax assets / (liabilities) at the beginning	22	(25)
Income tax paid	2,153	1,418
Current income tax expense	(1,652)	(1,371)
Net current income tax assets / (liabilities) at the end	523	22

The movement in gross deferred income tax assets and liabilities for the year ended March 31, 2024 is as follows:

Particulars	Carrying value as at March 31, 2023	Recognised/ (reversed) during the year in	Recognised/ (reversed) during the year in	Recognised/ (reversed) during the year in	Carrying value as at March 31, 2024
		Statement of Profit and Loss	OCI	Equity	
Deferred income tax assets / (liabilities):					
Property, plant and equipment	40	(18)	-	-	22
Provision for gratuity	36	(11)	2	-	27
Provision for leave encashment and compensated absences	27	10	-	-	37
Right of use assets	-	(146)	-	-	(146)
Lease liabilities	-	158	-	-	158
Mutual funds - fair value adjustments under Ind AS	(7)	(1)	-	-	(8)
Trade receivables - loss allowance	-	50	-	-	50
Deferred tax asset for carried forward tax loss*	157	75	-	-	232
Total deferred income tax assets / (liabilities)	253	117	2	-	372

*During the year ended March 31, 2023, the management has reassessed the deferred tax asset provided on carried forward losses. Tax asset of Rs. 7 lakhs has been reversed as the carried forward losses relating to FY 2018-19 is expected to lapse.

The movement in gross deferred income tax assets and liabilities for the year ended March 31, 2023 is as follows:

Particulars	Carrying value as at March 31, 2022	Recognised/ (reversed) during the year in	Recognised/ (reversed) during the year in	Recognised/ (reversed) during the year in	Carrying value as at March 31, 2023
		Statement of Profit and Loss	OCI	Equity	
Deferred income tax assets / (liabilities):					
Property, plant and equipment	1	39	-	-	40
Provision for gratuity	24	9	3	-	36
Provision for leave encashment and compensated absences	21	6	-	-	27
Mutual funds - fair value adjustments under Ind AS	(3)	(4)	-	-	(7)
Trade receivables - loss allowance	11	(11)	-	-	-
Provision for onerous contract	142	(142)	-	-	-
Deferred tax asset for carried forward tax loss*	-	157	-	-	157
Total deferred income tax assets / (liabilities)	196	54	3	-	253

*The management periodically reviews the deferred tax assets. During year ended March 31, 2023, the business outlook and projections have shown an improvement. Consequently, the recoverability of tax assets including carry forward of business losses have been reassessed and Rs 157 lakhs has been recognised as deferred tax asset. Tax asset of Rs 1.50 lakhs related to FY 2017-18 is expected to lapse based and hence not reinstated.

24 Revenue from operations

Accounting policy:

Under IndAS 115, the Group applies a five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues based on the fulfilment of performance obligation.

Contract with customer would mean (1) signed contract if available or price based on- arrangement, business practice and standard operating procedures. The price could be specific negotiated price (like for PDA services, storage, bidding services, AA services, KYC services) and (2) the tariff schedule as applicable for each financial year. These are interpreted collectively to ascertain scope including performance obligation and pricing for each financial year.

The Group based on evidence evaluates, at the start of each financial year, as to whether a service is perceived as a distinct benefit by the customer and is a separate performance obligation, or the service is perceived to be bundled along with other service as a bundle of performance obligation, or a service is mere perfunctory or incidental in nature not constituting a performance obligation. While assessing whether a service is a separate performance obligation, the Group for each review period assesses whether service, in a bundled offering, is highly dependent, highly interrelated with other service in the bundle including if the customer has an option to not purchase the service without significantly affecting the other promised goods. Such an assessment would include whether one of such services in the bundle is independently priced in the tariff, as published and available in the Group website, leading to an indicator that the service could be a performance obligation in itself as per Ind AS 115. Such an assessment is carried out periodically starting with the beginning of each financial year.

The Group has tiered pricing structure for certain services. Based on its assessment, the Group has assessed there is no identifiable significant material rights in its pricing structure which can be separately valued and accounted as a liability or asset.

Revenue is measured at transaction price which is the consideration, received or receivable net of discounts, taking into account contractually defined terms and excluding taxes, duties collected on behalf of the government. Revenue is recognised as and when the control of promised product or services are transferred to the customer. If there is uncertainty as to collectability, then revenue recognition is postponed until such uncertainty is resolved.

The group charges the fees in advance for more than one year period for the following category of services, (1) IU services - individual category and (2) PDA - storage services. This requires the Group to assess whether any significant financing component is included in the consideration charged. The Group charges the fees over multiple terms for these services for administrative convenience. Due to the regulatory nature of the services the fees charged are nominal and are intended to improve compliance in the ecosystem. The Group, based on the facts and the intent of pricing and its product offering, has assessed that there is no significant financing component in the consideration charged for the aforesaid services.

The transaction price is determined for each performance obligation identified excluding amounts collected on behalf of third parties net of discounts. The Group allocates the transaction price for services under the contract to each separately identifiable performance obligations/ bundle of performance obligation based on standalone selling price using the three approaches, as applicable, under IndAS 115. Standalone selling prices are determined based on transaction prices for the components when it is regularly sold separately, in cases where the Group is unable to determine the standalone selling price the Group uses third-party prices for similar deliverables. Under IndAS 115, the Group may use (1) adjusted market assessment approach, (2) expected cost plus a margin approach, (3) residual method or a combination of these methods to arrive at allocable transaction price for each performance obligation or bundle of performance obligations identified. Discount provided to one of the distinct performance obligation in the service offering is allocated or averaged across all the performance obligations in the contract/ arrangement unless such a discount is offered at a standalone price of a performance obligation.

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

For performance obligations where control is transferred over time, revenues are recognised by measuring progress towards completion of the performance obligation. Where the services under performance obligation is made available on when and if available basis for a tenure, the customer benefits accrue evenly during the contract and the revenue is recognised for such performance obligation on a straight line attribution method over such tenure. The selection of the method to measure progress towards completion requires judgment and is based on the whether the nature of the promised products or services to be provided at a point in time or is provided or made available for a specific period. In case of bundled service obligations which are not separable, a single measurement method is adopted.

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

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

Information Utility ("IU") income

The Group 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 is recognised as the services are performed over time on a monthly basis, from the month of submission/ upload of information into the Information Utility system.

The financial information hosted are billed based on the published tariff rate schedule. The period for the service and hosting obligations are specified for each category of loan records. These category as per the tariff structure for IU services are as below.

- Financial information of Group and Other Commercial entities are recognised over a tenure of 1 year.
- Financial information of individuals including Gold, Micro Finance Institutions (MFI) debts, SHG/JLG debts, Agriculture debts are recognised over a tenure of 5 years from initial submission of information and over 1 year after completion of 5 year initial period based on hosting period under anniversary billing.
- Revenue from information utility services for submissions from Operational Creditor, Homebuyers and other participants are recognised on submission/ upload of information into the Information Utility system."

"d) The Group provides digital document execution (IU DDE) services as a part of its IU services to its clients. The service includes execution of documents using digital signature and/or digital e-stamping, access, storage and retrieval, digital ledger and tracking service for IU DDE in addition to information utility services for data, and breakup of the tariff is specified at a component level of IU services allowing customer choice at individual service component level. The revenue from IU DDE services is recognised at a point in time when such a service is complete.

e) Revenue from E-Sign services is recognised when E-sign counts are consumed by the customer indicating a transfer of control unless express acceptance is required as a part of the contract or arrangement."

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

PDA services and case management services are offered to the customer on subscription basis. Revenue is recognised over the tenure of such subscription, as and when performance obligation are fulfilled over subscription period. Revenue from auction services are recognised on availment of auction services (specific event) by 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 or arrangement, is recognised on completion of installation platform at the customer's end.

For CKYC and OKYC services, revenue is recognised 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 provides Account Aggregator (AA) 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 recognised:

- for annual subscription for AA services and AMC (annual maintenance contract) offered in bulk (and not on per transaction basis or on completion of specific event), over time for which services are contracted to be provided as the AA or AMC services are made available on when if basis during such tenure.
- for others, as and when the services are provided.

If a revenue recognition event meets criteria for net basis accounting under IndAS 115, the related costs like revenue share is netted off against such revenue recognised instead of showing such related costs separately as an expense."

Revenue from operations for the year ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	Year ended March 31,	
	2024	2023
Revenue from contract with customers:		
IU Services		
Financial creditors - IU	9,519	7,710
Financial creditors - DDE	970	387
Operational creditors	7	3
One time integration services	2	-
Fee from PDA services	17	18
Central Know Your Customer Services income (CKYC)	8	13
Offline Know Your Customer services income (OKYC):		
One Time Installation Setup Fee	30	38
OKYC services	4	5
Revenue from AA operations	75	31
Total revenue from operations	10,632	8,205

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

Reconciliation of contract price to revenue recognised for year ended March 31, 2024 is as below:

Particulars	Financial creditors IU	Financial creditors - DDE	IU services others	PDA services	CKYC and OKYC	AA Operations	Total
Total billing for the period	11,001	1,269	9	29	40	77	12,425
(+) Opening unearned revenue	6,727	145	-	13	-	11	6,896
(-) Opening unbilled revenue	-	-	-	(4)	(4)	(6)	(14)
(-) Closing unearned revenue	(8,209)	(444)	-	(21)	-	(7)	(8,681)
(+) Closing unbilled revenue	-	-	-	-	6	-	6
Total billing for the period	9,519	970	9	17	42	75	10,632

For the year ended March 31, 2024 the company recognised Rs. 4,597 lakhs revenue from opening deferred revenue.

Reconciliation of contract price to revenue recognised for year ended March 31, 2023 is as below:

Particulars	Financial creditors IU	Financial creditors - DDE	IU services others	PDA services	CKYC and OKYC	AA Operations	Total
Total billing for the period	9,535	456	3	15	48	24	10,081
(+) Opening unearned revenue	4,902	80	-	12	7	12	5,013
(-) Opening unbilled revenue	-	(4)	-	-	(3)	-	(7)
(-) Closing unearned revenue	(6,727)	(145)	-	(13)	-	(11)	(6,896)
(+) Closing unbilled revenue	-	-	-	4	4	6	14
Total billing for the period	7,710	387	3	18	56	31	8,205

For the year ended March 31, 2023 the company recognised Rs. 3,610 lakhs revenue from opening deferred revenue.

25 Other income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on fixed deposits	914	718
Interest on security deposits	3	4
Interest on government securities	309	106
Interest on IT refund	1	1
Profit on sale of motor car	-	3
Insurance claim received in excess of w.d.v of lost asset	-	-*
Gain on redemption of mutual funds	35	5
Gain on remeasurement of mutual funds at fair value	5	17
Bad debts written off - recovered	-	1
Miscellaneous income	2	5
Total other income	1,269	860

* Represents value less than 0.5 lakhs, Rs. 0.11 lakhs for year ended March 31, 2023

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

26 Cost of services

Particulars	Year ended March	Year ended March
	31, 2024	31, 2023
IU annual fee*	812	-
IU technology expenses		
Technology resource expenses	237	242
IT data center expenses	251	139
Datawarehouse expenses	83	87
Other IT expenses	420	239
SMS and email charges	39	-
CIRP and VDR expenses	12	140
IU operational expenses	231	127
FIU Gateway and Other Enhancements	75	58
AA software AMC charges	10	13
Offsite data entry & cropping work ¹	-	2
IT Consulting Expenses	19	6
Other operating expenses	9	7
Total cost of services	2,198	1,060

*Note: As per Regulation 6(2)(e) of the IBBI (IU) Regulations, 2017, no annual fee shall be payable in the financial year in which an information utility is granted registration or renewal of existing registration. The certificate of registration was renewed on 25 September 2022. Hence, the annual fee is not payable for the financial year 2022-23.

1. Represents value less than 0.5 lakhs for year ended March 31, 2024 (Rs. 0.26 lakh).

27 Finance costs

Particulars	Year ended March	Year ended March
	31, 2024	31, 2023
Interest expense on lease liabilities	43	45
Interest expense on onerous provision	-	15
Interest expense on security deposit received	-	1
Total	43	61

28 Depreciation and amortization expense

Particulars	Note	Year ended	Year ended March 31,
		March 31, 2024	2023
Depreciation on plant, property and equipment	5	34	37
Amortisation on intangible assets	6	56	359
Depreciation on right of use assets	8	202	284
Total depreciation and amortization expense		292	680

29 Impairment loss/(reversal of impairment)

Particulars	Year ended	Year ended March 31,
	March 31, 2024	2023
Impairment/(reversal of impairment) of Right of use assets ⁽¹⁾	-	(2)
Total impairment loss/(reversal of impairment)	-	(2)

(1) During the year ended 2022 the Group has identified certain contracts to be onerous. The right of use asset associated with these onerous contract were tested for impairment and an impairment of Rs 2 lakhs was made. During the year ended 2023, the provision on onerous contract has been reversed (refer note 19) and the impairment previously recognised on the right-of-use asset linked to the onerous contract was also reversed during this period.

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

30 Other expenses

Particulars	Year ended March 31,	Year ended March 31,
	2024	2023
Rent, Repairs and maintenance +	18	16
Subscription, rates and taxes	15	26
Professional charges	364	223
Legal fees	65	15
Communication expenses	35	27
Advertisement and business promotion	58	31
Auditors' remuneration	-	-
- Statutory audit	5	4
- For other services ¹	-	-
- Tax audit	-	2
- Out of pocket expenses ²	-	-
Travelling, boarding and conveyance	72	59
Insurance expenses	15	14
Directors' sitting fees	47	34
Assets written off ³	-	-
(Gain)/loss on lease modification	1	5
Impairment loss recognised under expected credit loss model	198	25
CSR expenses*	84	62
Other miscellaneous/administrative expenses	78	72
Total	1,055	615

+ Rental expenses for period ended March 31, 2024 consists of laptop and printer rental of Rs.1 lakhs and for the year ended March 2023 consists of laptop and printer rental of Rs 1 lakhs , refer note 28(a), long term lease rental on premises is accounted as per IndAS 116 –Leases under note 5.

*Refer note - 37 Corporate social responsibility (CSR)

1. Represents value less than 0.5 lakhs for year ended March 31, 2023 (Rs. 0.1 lakh).

2. Represents value less than 0.5 lakhs, Rs. 0.49 lakhs for year ended March 31, 2024 and Rs. 0.27 lakhs for year ended March 31, 2023

3. Represents value less than 0.5 lakhs, Rs. 0.11 lakhs for year ended March 31, 2024 and Rs. 0.09 lakhs for year ended March 31, 2023

Note: For the previous year ended March 31, 2023, expenses amounting to Rs. 15 lakhs and Rs. 1 lakhs shown as Internal audit and Secretarial audit respectively are regrouped into Professional charges

31 Employee benefit expenses**Accounting policy:***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 recognised 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 recognised in the Statement of Profit and Loss.

Employee benefit expenses for the year ended March 31, 2024 and March, 2023 is as below:

Particulars	Year ended	Year ended March
	March 31, 2024	31, 2023
Salary & allowances	1,863	1,576
Contribution to provident fund & superannuation fund	112	91
Gratuity expense	60	41
Leave encashment and compensated leave benefits	82	60
Staff welfare expenses	101	62
Total employee benefit expenses	2,218	1,830

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

31.1 Gratuity plan

The Group provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees of the Group. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. During the financial year ended March 31, 2024 one of the group entity National E-Governance Services Limited has formed Nesl Group Employees Gratuity Trust ("the Trust") and the company contributes gratuity liabilities to the Trust. Trustees administer contributions made to the Trust and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

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

Amount recognised in the Balance Sheet at year end	As at March 31, 2024	As at March 31, 2023
Present value of unfunded defined benefit obligation	211	142
Fair value of plan assets	105	-
Net defined benefit (asset)/liability recognised in Balance Sheet	106	142
Net defined benefit cost/(income) included in Statement of Profit & Loss for the year end	As at March 31, 2024	As at March 31, 2023
Service cost	52	34
Net interest cost	8	7
Total defined benefit cost/(income) included in Statement of Profit & Loss	60	41
Current / non-current bifurcation	As at March 31, 2024	As at March 31, 2023
Current benefit obligation	34	21
Non - current benefit obligation	177	122
(Asset)/liability recognised in the Balance Sheet	211	143
Actual return on plan assets	As at March 31, 2024	As at March 31, 2023
Interest income on plan assets	2	-
Actual Return on Plan Assets	2	-
Analysis of amounts recognised in Other Comprehensive (Income)/Loss at the year end	As at March 31, 2024	As at March 31, 2023
Amount recognised in OCI, beginning of the year	51	39
Remeasurements due to:		
Effect of change in financial assumptions	3	(2)
Effect of experience adjustments	6	14
Amount recognised in OCI at the year end	60	51
Total defined benefit cost/(income) included in Statement of Profit & Loss and Other Comprehensive Income	As at March 31, 2024	As at March 31, 2023
Amount recognised in P&L, for the year	60	41
Amount recognised in OCI, for the year	9	12
Total net defined benefit cost/(income) recognised for the year	69	53
Change in defined benefit obligation during the year	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation, beginning of year	142	89
Net current service cost	51	34
Interest cost on DBO	11	7
Actuarial (gains)/losses	9	12
Benefits paid	(2)	-
Defined Benefit Obligation at the year end	211	142

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

Change in fair value of plan assets during the year		As at March 31, 2024	As at March 31, 2023
Fair value of plan assets, beginning of year		-	-
Interest income plan assets		2	-
Actual company contributions		103	-
Fair value of plan assets, end of year		105	-
Reconciliation of Balance Sheet amount		As at March 31, 2024	As at March 31, 2023
Balance Sheet (asset)/liability, beginning of year		142	89
Total charge/(credit) recognised in Profit and Loss		60	41
Total remeasurements recognised in OC (Income)/Loss		9	12
Actual Employer Contribution/Benefits paid directly by the Company		(105)	-
Balance Sheet (asset)/liability, end of year		106	142
Financial assumptions used to determine the defined benefit obligation		As at March 31, 2024	As at March 31, 2023
Discount rate		7.09%	7.30%
Salary escalation rate		12.00%	12.00%
Financial Assumptions Used to Determine the Profit & Loss Charge		As at March 31, 2024	As at March 31, 2023
Discount rate		7.09%	7.30%
Salary escalation rate		12.00%	12.00%
Expected return on plan assets		7.09%	N.A.
Demographic assumptions used to determine the defined benefit obligation		As at March 31, 2024	As at March 31, 2023
Withdrawal rate		10.00%	10.00%
Mortality rate		IALM (2012-14) Ult	IALM (2012-14) Ult
Retirement age		60 years	60 years
Asset Category	As at March 31, 2024	As at March 31, 2024	As at March 31, 2024
	Quoted Value	Non-Quoted Value	Total
Insurer Managed Funds & T-bills	0.00%	100.00%	100.00%
Total	0.00%	100.00%	100.00%
Expected contributions for the next financial year		Year ended March 31, 2025	
Expected contributions		143	
Expected cashflows for the next ten years		As at March 31, 2024	
Year - 2025		35	
Year - 2026		14	
Year - 2027		18	
Year - 2028		19	
Year - 2029 to 2034		19	
Defined benefit obligation by participant status		As at March 31, 2024	
a. Actives		211	
Total Defined Benefit Obligation		211	
Sensitivity analysis		As at March 31, 2024	
Defined benefit obligation - discount rate + 100 basis points		(8)	
Defined benefit obligation - discount rate - 100 basis points		9	
Defined benefit obligation - salary escalation rate + 100 basis points		5	
Defined benefit obligation - salary escalation rate - 100 basis points		(4)	

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

31.2 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'.

Amounts in Balance Sheet at year end	As at March 31, 2024	As at March 31, 2023
Present value of unfunded defined benefit obligation	148	107
(Asset)/liability recognised in the Balance Sheet	148	107

Amounts recognised in Statement of Profit and Loss for the year	As at March 31, 2024	As at March 31, 2023
Service cost	52	26
Net interest cost	9	6
Remeasurements	21	28
Total expense/(income) included in "Employee benefit expenses"	82	60

Note : The actuarial gains & losses are recognised, immediately, through Statement of Profit and Loss.

Change in defined benefit obligation during the year	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation, beginning of year	107	78
Net current service cost	52	26
Interest cost on dbo	9	6
Actuarial (gains)/losses	21	28
Benefits paid	(41)	(31)
Defined benefit obligation, end of year	148	107

32 Earning per share**Accounting policy:**

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.

Particulars	As at March 31, 2024	As at March 31, 2023
Profit/(loss) attributable to equity shareholders of the Group	4,560	4,084
Number of shares outstanding as on the balance sheet date (units in lakhs)	750	750
Weighted average number of shares purpose of EPS basic and diluted (units in lakhs)	750	750
Earnings per share basic and diluted (in ₹ per share)	6.08	5.45

National E-Governance Services Limited

CIN: U72900MH2016GOI282855

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

33 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements as on 31st March 2024

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
National E-Governance Services Limited Subsidiaries	95.72%	21,564	105%	4,807	85%	(6)	105%	4,801
NESL Asset Data Limited	3.57%	804	-5%	(241)	15%	(1)	-5%	(242)
NESL E-infrastructure Limited	0.71%	160	0%	(6)	0%	-	0%	(6)
Sub total	100%	22,528	100%	4,560	100%	(7)	100%	4,553
Adjustment arising out of consolidation		(1,600)		-		-		-
Total		20,928		4,560		(7)		4,553

Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements as on 31st March 2023

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
National E-Governance Services Limited Subsidiaries	95.98%	16,763	102.52%	4,465	100.00%	(9)	102.53%	4,456
NESL Asset Data Limited	3.07%	536	-2.50%	(109)	0.00%	-	-2.50%	(109)
NESL E-infrastructure Limited	0.95%	166	-0.03%	(1)	0.00%	-	-0.03%	(1)
Sub total	100%	17,465	100%	4,355	100%	(9)	100%	4,346
Adjustment arising out of consolidation		(1,090)		(271)		-		(271)
Total		16,375		4,084		(9)		4,075

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

34 Functional currency:**Accounting policy:**

The functional currency for the Group is INR and the standalone Ind AS financial statements are presented in INR lakhs. 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.

35 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value and maintain the regulatory Net Worth requirements as per IBC for NeSL and NoF requirements as per RBI for NaDL.

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

To meet the above objectives, the Group invests its funds in bank fixed deposits receipts (FDRs), state government securities and mutual funds as per the Group's investment policy.

The Company is obligated to adhere to capital maintenance as per regulatory requirements of Insolvency and Bankruptcy Code (IBC), to maintain minimum capital of Rs 5,000 Lakhs computed as Net Worth 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.

NaDL 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, NeSL has infused Rs. 300 lakhs in April 13, 2023 and Rs. 210 lakhs in February 9, 2024 in order to maintain NoF above the regulatory requirements mandated by RBI. The management has assessed that NaDL 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 NaDL to comply with the regulatory requirement.

36 Contingent liabilities**Accounting policy:**

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 recognised 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.

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Claims against the company not acknowledged as debt;	-	-
(b) Guarantees excluding financial guarantees; and	-	-
(c) Other money for which the company is contingently liable.	-	-

The Group doesn't have any contingent liability for the year ended March 31, 2024 and for the year ended March 31, 2023.

37 Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	16	-
b) Uncalled liability on shares and other investments partly paid;	-	-
c) Other commitments for expenses	-	-
Total commitments	16	-

38 Corporate social responsibility (CSR)

The Group has made a profit of more than 5 crores in the previous year. Hence, the Group 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 year the Group has incurred the following expenditure in CSR activities:

Particulars	As at March 31, 2024	As at March 31, 2023
Promoting Healthcare	24	53
Promotion of Education	-	4
Environmental causes	60	5
Total expenditure in CSR activities	84	62
a) Amount required to be spent by the Group during the year	84	62
b) Amount spent during the year:		
(i) Construction/acquisition of Asset	-	-
(ii) On purposes other than (i) above	84	62
Total amount spent/required to be spent during the year	84	62
Shortfall/(surplus) for the year (a - b)	-	-*

Note: i) There are no related party transactions entered during the year for CSR activities.

ii) There are no unspent CSR amount. Hence, provision for liability is not recognised.

*Represents value less than 0.5 lakhs, Rs.0.06 lakh for year ended March 31, 2023.

National E-Governance Services Limited

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Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

39 Related party disclosures

Key management personnel	:	Mr. Debajyoti Ray Chaudhuri, Managing Director & CEO Mrs. E.P. Nivedita, Executive Director & CRO Mr. Vinod Shenoy M, Chief Financial Officer Mr. M. Murthy, Company Secretary (till September 30, 2022) Mrs. S. Padmavathy, Company Secretary (from October 01, 2022)
Post employment benefit plan	:	Nesl Group Employees Gratuity Trust

Details of transactions entered into with related parties along with balances as at year end are as given below:
Contribution to post employment benefit plan

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Nesl Group Employees Gratuity Trust	103	-
Total contribution to post employment benefit plan	103	-

Remuneration to key management personnel for the year ended March 31, 2024

Key management personnel	Short-term employee benefits	Post-employment gratuity and medical benefits	Termination benefits	Share based payment transactions	Total compensation
Mr. Debajyoti Ray Chaudhuri	93	6	-	-	99
Mrs. E.P. Nivedita	51	6	-	-	57
Mr. Vinod Shenoy M	69	2	-	-	71
Mrs. S. Padmavathy	32	2	-	-	34
Total	245	16	-	-	261

Remuneration to key management personnel for the year ended March 31, 2023

Key management personnel	Short-term employee benefits	Post-employment gratuity and medical benefits	Termination benefits	Share based payment transactions	Total compensation
Mr. Debajyoti Ray Chaudhuri	80	-	-	-	80
Mrs. E.P. Nivedita	51	7	-	-	58
Mr. Vinod Shenoy M	60	2	-	-	62
Mr. M. Murthy (till September 30, 2022)	29	-	-	-	29
Mrs. S. Padmavathy (from October 01, 2022)	10	1	-	-	11
Total	230	10	-	-	240

B. Balances outstanding as at year end

Particulars	Key management personnel	
	As at March 31, 2024	As at March 31, 2023
Post employment benefit plan		
NeSL Group Employees Gratuity Trust	105	-
Total post-employment benefit plan	105	-
Remuneration payable		
Mrs. E.P. Nivedita	-*	9
Total remuneration payable	-	9

*represents value less than 0.5 lakhs, Rs. 0.2 lakhs for year ended March 31, 2024

Notes to the consolidated Ind AS financial statements for the year ended March 31, 2024

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

40 Ratios

The various analytical ratios for the year ended March 31, 2024 and March 31, 2023 are as below:

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Variance in %
Current ratio (in times)	Current assets	Current liabilities	2.83	3.08	-8.27%
Debt-Equity Ratio (in times) ⁽¹⁾	Total Debt (representing lease liabilities)	Shareholders Equity	0.03	0.05	-33.94%
Debt Service Coverage ratio (in times)	Earnings available for debt service	Debt Service (representing lease liabilities)	8.79	7.10	23.88%
Return on equity ratio (in %)	Total comprehensive income	Average shareholders Equity	24%	27.69%	-3.28%
Inventory turnover ratio ⁽¹⁾	Cost of goods sold	Average inventory	NA	NA	NA
Trade receivables turnover ratio (in times)	Net credit sales	Average trade receivable	2.42	2.59	-6.50%
Trade payables turnover ratio (in times)	Net credit purchases ⁽²⁾	Average trade payables	8.96	7.67	16.83%
Net Capital turnover ratio (in times)	Revenue	Working capital	0.78	0.63	23.78%
Net profit ratio (in %)	Net profit after taxes	Revenue	42.82%	49.65%	-6.83%
Return on Capital employed (in %)	EBIT	Average capital employed	28.66%	34.32%	-5.66%
Return on investment (in %)	Income generated from investments	Time weighted average investments	6.47%	5.22%	1.25%

1) The Group has no inventory. Hence, inventory turnover ratio is not applicable.

2) Net credit purchases represent purchases made for services and other expenses

Reasons for variance above 25%

a) Debt equity ratio: Increase in shareholders equity leading to the variance.

41 Other notes accompanying the consolidated financial statements

a) The Group 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 Group had participated and won and Rs. 3.54 lakhs to various customers as per terms of contract entered with them.

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

c) The Group has only one operating segment and monitors its performance for the business as a whole, hence segment reporting is not applicable.

d) No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

e) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

f) The Group has not been declared wilful defaulter by any bank or financial institution or other lender.

g) The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

h) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

i) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

j) The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

k) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

l) NaDL and NEIL are fully owned subsidiaries of NeSL. Hence, the disclosure requirements as per Para 1 (i) and (ii) for preparation of Consolidated Financial Statements, as per Schedule III Division II is not applicable.

m) There are no immovable properties in the Company other than properties taken on lease.

For BSD & CO

Chartered Accountants

Firm registration number: 000312S

Rishav Saraf

Partner

Membership No: 230591

Date: 20 August 2024

Place: Bangalore

For and on behalf of the Board of Directors of

National E-Governance Services Limited

N.S. Vishwanathan

Director

DIN: 09568559

Debajyoti Ray Chaudhuri

Managing Director & CEO

DIN: 09242571

Vinod Shenoy M.

Chief Financial Officer

Date: 20 August 2024

Place: Bangalore

Nivedita E.P.

Executive Director & CRO

Padmavathy S.

Company Secretary

M.No: A37997

KEY EVENTS AND MILESTONES

AWARDS & RECOGNITION FY 2023-24

Best RegTech Award at Business World Festival of Fintech Awards 2023 – 29th June 2023

NeSL was adjudged the winner of RegTech Solution of the Year award for its e-BG solution at the 3rd edition of Business World Festival of Fintech Awards 2023. The winners were decided by an eminent jury comprising industry stalwarts. NeSL's e-BG solution is the outcome of a collaborative effort across multi-functional teams, it envisaged the development of the solution and the subsequent integration with the banks for a seamless, digital and paperless journey



TOP 10 CTOs in IT in 2023 by CEO Insights Magazine – December 2023

Diwakar Kannan - CTO, NeSL was recognised as the TOP 10 CTOs in IT in 2023 by CEO Insights Magazine and conferred the award

KEY EVENTS FY 2023-24



NHA Workshop – 24th May 2023

NeSL was invited to present the benefits of e-BG at workshop organised by NHA. NeSL's ED with team members addressed the stakeholders at the NHA Workshop on Implementation of e-BG & Insurance Surety Bonds for Contracts in the presence of Union Minister for Road Transport and Highways Shri Nitin Gadkari in New Delhi

IBM Consulting Forum – Aspire 2023 by ET Edge – 07th July 2023

NeSL was invited to speak at the IBM Consulting Forum – Aspire 2023, hosted by ET Edge. NeSL MD and CEO was the speaker at a panel discussion on the topic "The future is open" shedding light on the importance of being cyber-secure and resilient to navigate the challenges of a constantly changing world, driven by rapid technology-led transformation. MD & CEO NeSL also spoke about India's robust Digital Public Infrastructure (DPI) and the need to build on top of that, especially in the area of digital and paperless contracting



Insolvency Professionals' Conclave on ICMS – 24th July 2023

The Insolvency and Bankruptcy Board of India in association with National E-Governance Services Limited organised an Insolvency Professionals' Conclave. The event was focused on discussing the challenges faced by IP professionals and also how digital tools can help in managing corporate insolvency resolution process



Workshop on e-BG at Material Organisation for Indian Navy officials – 08th November 2023

NeSL team was invited to address a gathering of senior officers from the Material Organisation of the Indian Navy. NeSL ED and the BSG team conducted a workshop on benefits and modalities for implementation of electronic Bank Guarantee (e-BG) to the officers

IBA's 19th Annual Banking Technology Conference, Expo & Citations – 09th February 2024

NeSL's e-BG was formally launched by Sunil Mehta Chief Executive of IBA at the 19th Annual Banking Technology Conference, Expo & Citations – 2023 in presence of an eminent audience of leaders and professionals from the BFSI industry. NeSL's MD & CEO, also made a presentation on e-BG titled "e-BG – A paradigm shift in Trade Finance"



5th IP Forum Meeting of INSOL India Bengaluru Chapter – March 2024

NeSL hosted the 5th, 6th and 7th IP Forum meeting of Insol India Bengaluru Chapter at NeSL administrative office premises. NeSL's MD & CEO spoke about the Virtual Data Room Services (VDR) offered by NeSL under the PDA Services

WEBINARS:

How NeSL's Record of Default (RoD) can aid admission of CIRP cases – 19th July 2023

On 3rd April, 2023, NCLT issued an order required the submission of information to the Information Utility before filing of applications under Sections 7 and 9 of the Insolvency and Bankruptcy Code 2016. NeSL organised a hands-on session to educate banks, NBFCs and IPs on the benefits of RoD and a workflow for obtaining RoD from NeSL IU. Over 115 professionals from top banks, NBFCs and IP professionals attended the virtual session

NeSL – DDE for Authorised Representatives (AR) – 28th August 2023

A virtual workshop on NeSL DDE was organised for ARs to extend the reach and adoption of DDE. The workshop included a DEMO session on execution of documents on NeSL's DDE, followed by a Q and A session. 45 representatives from the ARs joined the virtual workshop

INTERNAL EVENTS:

Foundation Day 2023 – 19th June 2023

The NeSL family celebrated its 7th Foundation Day at Bengaluru and Mumbai office on 19th of June and 7th of July 2023 respectively. The session included a presentation on NeSL's growth and future plans by NeSL MD and CEO and followed by cultural performances by employees in celebration of 7 years of NeSL

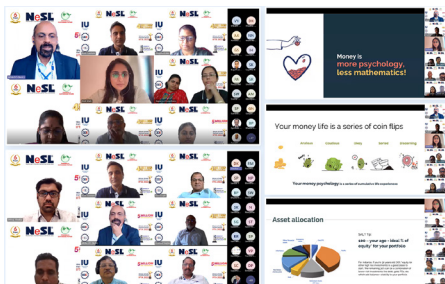


International Yoga Day 2023 – 21st June 2023

International Yoga Day was celebrated at NeSL with a 45 minute session of Yoga by Ms Neha Malik of Vatsalya Yog. All employees including MD & CEO Shri. Debajyoti Ray Chaudhuri and ED Smt. EP Nivedita, IA&AS joined in for a live session of Yoga at workplace to relieve stress and for a healthier lifestyle

Workshop on Communication Skill Enhancement – 13th January 2024

NeSL organized a workshop on "Communication Skill Enhancement", a comprehensive training session dedicated to fostering effective communication skills among NeSL employees. This initiative underscores our commitment to nurturing a workplace where effective communication is not just a skill but a cornerstone of personal and professional growth. The program was conducted by Mrs. Indrani Ghosh Choudhary



Financial Planning Workshop for Employees of NeSL – 17th February 2024

NeSL has a young work force, a session was therefore conducted for our team members to create awareness and encourage financial planning. The session was conducted by an external expert. The session highlighted the importance of investing early and diversification of investments to reduce risks with a bouquet of investments in equity, mutual funds, PPF, VPF, SGBs etc

Women's Day Celebration – 08th March 2024

On International Women's Day NeSL celebrated the women behind NeSL's success – the employees, their mothers, sisters and their wives. Ms Ranjana Bose a former leader in a large PSU bank was invited as a guest of honor. NeSL ED, in her opening address, shared some real-life experiences of women who, through their enterprise and hard work had made a difference to their families and themselves. The celebrations also included cultural performances by NeSL employees including songs in different languages and also a dance performance



Nesl[®]

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CIN U72900MH2016GOI282855



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