National E-Governance Services Ltd.

Information Utility Regulated by IBBI

ISO/IEC 27001:2022 CERTIFIED

9TH ANNUAL REPORT 2024 - 25

7 Years of Information Utility

TOWARDS A SUSTAINABLE FUTURE

1.6+ CRORE DDE TRANSACTIONS

Winner of India FinTech Forum IFTA 2022

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TABLE OF CONTENTS

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)

Atul Arora
Nominee Director (ICICI Bank)

Ashok Sharma
Nominee Director (SBI)

Shri Lal Singh
Nominee Director (BOB)

Debajyoti Ray Chaudhuri
Managing Director & CEO

KEY MANAGERIAL PERSONNEL

E P NIVEDITA
EXECUTIVE DIRECTOR & CRO

DIWAKAR KANNAN
CHIEF TECHNOLOGY OFFICER

PRADEEP SHRIPAD
CHIEF FINANCIAL OFFICER

S PADMAVATHY
COMPANY SECRETARY

STATUTORY AUDITORS

K N PRABHASHANKAR AND CO., CHARTERED ACCOUNTANTS

REGISTRARS AND TRANSFER AGENTS

MUFG INTIME INDIA PRIVATE LIMITED
C-101, EMBASSY 247, LBS. MARG, VIKHROLI (WEST), MUMBAI - 400083

NOTICE OF 9TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Ninth Annual General Meeting** of the members of **National E-Governance Services Limited (CIN: U72900MH2016GOI282855)** will be held on the Friday, 26th of September, 2025 at 10.30 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 for the Financial Year ending 31st March, 2025:

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 and applicable regulations made there under, the standalone financial statements comprising of Balance sheet, Profit and Loss Account and Cash Flow Statement along with the Notes and Schedules for the period ended March 31st, 2025 and report of the Board, statutory Auditor's and C&AG thereon as placed before this meeting be and is hereby adopted."

Item No. 2 - Adoption of Audited Consolidated Financial Statements for the Financial Year ending 31st March, 2025:

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 and applicable regulations made there under, the consolidated financial statements comprising of Balance sheet, Profit and Loss Account and Cash Flow Statement along with the Notes and Schedules for the period ended March 31st, 2025, reports of the statutory Auditor's and C&AG thereon as placed before this meeting be and is hereby adopted."

Item No. 3 - Appointment and fixation of remuneration of Statutory Auditors for the Financial Year 2025-26:

"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 appoint the Statutory Auditors of the Company as advised by the Comptroller and Auditor General (C&AG) of India to conduct the audit for the financial year 2025-26 at the remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee on intimation to 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, 2025:

"RESOLVED THAT pursuant to provisions of Section 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 31, 2025, be and is hereby declared and the same be paid out of the profits of the Company for the previous financial year 2024-25, 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 Shri. Atul Arora (DIN: 01999097), Director who retires by rotation and being eligible, offered himself for re-appointment:

"RESOLVED THAT pursuant to the provisions of the Section 152 (6) of the Companies Act, 2013 and applicable rules made there under and as per the provision of the articles of association of the company Shri. Atul Arora (DIN: 01999097), Director who retires by rotation and being eligible offered himself for re - appointment be and is hereby re- appointed as director of the company."

Date: 04/09/2025 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** **M No.: 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 the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since the AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. The Proxy Form as well as the Attendance Slip and the Route Map of the Registered office are therefore, not annexed to this Notice.

4. In terms of Section 113 of the Companies Act, 2013, a body corporate whether a company within the meaning of the Act or not, which is a member of this Company, may by a resolution of its Board, authorize 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

5. Pursuant to Section 139(5) read with Section 142 (1) of the Companies Act, 2013, the Auditors of a Government Company are appointed by the Comptroller and Auditor General (C&AG) of India and their remuneration is fixed by the Company in the Annual General Meeting, authorised by the members.

6. The Board at its meeting held on July 11, 2025, has recommended a final dividend of Rs. 1/- per equity share of Rs. 10/- each for the financial year ending March 31, 2025 subject to approval of the Shareholders at this Annual General Meeting.

7. 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 September 2025 ("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.

8. 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.

9. The RTA for correspondences relating to share registry related matters will be MUFG Intime India Private Limited, C- 101, Embassy 247, L.B.S Marg, Gandhi Nagar, Vikhroli (West), Mumbai – 400 083

Date: 04/09/2025 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** **M No.: A37997**

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 Nineth Annual Report along with the audited financial statements (Standalone and Consolidated) for NeSL & Group for the financial year (FY) ended 31st March, 2025.

I. FINANCIAL PERFORMANCE

a. Standalone and consolidated financial results: (*In INR Lakh*)

Particulars	STANDALONE		CONSOLIDATED	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Gross revenue from operations	12,874	10,515	13,000	10,632
Total expenditure before finance cost, depreciation (Net of expenditure transferred to capital)	7,011	5,051	7,510	5,471
Operating Profit	5,863	5,464	5,490	5,161
Add: Other income	1,699	1,237	1,733	1,269
Profit before finance cost, depreciation, exceptional items and taxes	7,562	6,701	7,223	6,430
Less: Finance costs	43	43	43	43
Profit before depreciation, exceptional items and taxes	7,519	6,658	7,180	6,387
Less: Depreciation	194	238	241	292
Profit/(Loss) before exceptional items & tax	7,325	6,420	6,939	6,095
Add/(Less): Exceptional Items	-	-	-	-
Profit before taxes	7,325	6,420	6,939	6,095
Less: Tax Expense		-		-
Current Tax	1,929	1,652	1929	1,652
Adj of Tax PY	-	-	-	-
Deferred Tax	(54)	(39)	(148)	(117)
Profit for the year	5,450	4,807	5,158	4,560
Total other comprehensive loss (Net of Tax)	(12)	(6)	(10)	(7)
Total Comprehensive Income for the year	**5,438**	**4,801**	**5,148**	**4,553**
Retained Earnings: Balance brought forward from the previous year	**14,064**	**9,263**	**13,428**	**8,875**
Add: Profit for the period	5,438	4,801	5,148	4,553
Balance	19,502	14,064	18,576	13,428
Total Appropriations	(750)	-	(756)	-
Retained Earnings: Balance to be carried forward	**18,752**	**14,064**	**17,820**	**13,428**

b. Overview of company performance

The company on a standalone basis registered revenue of Rs. 12,874 Lakh during the year under review as against Rs. 10,515 Lakh in the previous year, this being an increase of 22.43 %. The total comprehensive Income for the year was Rs. 5,438 Lakh as compared to Rs. 4,801 Lakh in the previous year and resulted in retained earnings of Rs. 18,752 Lakh as on 31st March, 2025.

NESL Asset Data Limited (NADL), a wholly owned subsidiary, is an NBFC- Account Aggregator regulated by RBI. It reported a loss of Rs. 288 Lakh, on a revenue of Rs. 92.28 Lakh during the year under review. NeSL has invested Rs. 300 Lakh in NADL during the year to meet its working capital requirements and also to maintain its Net Owned Funds (NOF) at Rs. 200 Lakh as required under the conditions of registration with RBI. The total investment in NADL at the end of the year was Rs.1800 Lakh. 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. 10.20 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. 12.20 per share.

The Consolidated Revenue for the financial year 2024-25 was Rs 13,000 Lakh, higher by 22.27 % over the previous year's revenue of Rs. 10,632 Lakh. The consolidated total comprehensive income for the year for financial year 2024-25 was Rs. 5,148 Lakh which was Rs. 4,553 Lakh in the previous year.

II. <u>OPERATIONAL PERFORMANCE:</u>

a. Information on debt Records:

The total number of unique debt records as on the close of FY 2025 was **4,54,99,422** compared to **4,05,98,887** as on FY 2024. The amount of outstanding debt in respect of these records was **Rs. 2,49,40,971** crores as on close of FY 2025 compared to **Rs 2,34,66,078** crores of the previous year. Similarly, the number of unique debtors in respect of whom information was submitted increased to **3,08,74,954** as on close of FY 2025 from **2,65,90,208** 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 decreased from **4,09,565** as on close of FY 2024 to **4,01,691** as on FY 2025, however the outstanding debt in respect of these records increased from **Rs 82,678** crores to **Rs 90,757** crores during the same period. For DTs the number of debt records increased from **13,620** on close of FY 2024 to **15,836** as on FY 2025, with outstanding debt involved going up from **Rs 57,72,227** crores to **Rs. 65,36,776** crores during the same period002E

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

Unique Debtors in information Utility

	As of March 2025			As of March 2024	
	3,08,74,954			2,65,90,208	
Debtor (FC)	Debtor (OC)	Both	Debtor (FC)	Debtor (OC)	Both
3,08,49,199	11,284	14,471	2,65,73,248	7,917	9,043

Active Debt Records in information Utility

	As of March 2025			As of March 2024	
	4,54,99,422			4,05,98,887	
Corporates	Other Businesses	Individuals	Corporates	Other Businesses	Individuals
26,48,881	52,31,899	3,76,18,642	27,25,765	57,01,534	3,21,71,588

Outstanding Amount of Active Debt Records (Amount in Rs. Crores)

	As of March 2025			As of March 2024	
	2,49,40,971			2,34,66,078	
Corporates	Other Businesses	Individuals	Corporates	Other Businesses	Individuals
1,98,46,028	23,88,471	27,06,472	1,91,16,578	21,54,023	21,95,477

Submitters of Information					
As of March 2025			*As of March 2024*		
5,788			4,201		
Financial Creditor	Operational Creditor	Both	Financial Creditor	Operational Creditor	Both
2,979	2,724	85	2,179	1,958	64

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 the completed transactions from 51,19,560 as on 31st March 2024 to 1,28,41,751 as on 31st March 2025. The number of states which had granted approval to NeSL's digital e-stamping was 29 as on 31st March 2025.

c. **Electronic bank Guarantee (e-BG)** was launched by the company during the FY 2022-23. During the FY 2024-25, additional 12 banks were onboarded, thus bringing the total to 34 banks, which were issuing e-BGs on the NeSL platform.

d. **Hybrid electronic Bank Guarantee (He-BG)** was launched during FY 2023-24 and 3 Banks were onboarded in that year. In FY2024-25, additionally 7 banks onboarded, thus 10 banks are now issuing HeBGs.

e. **The PDA service** offered by NeSL has been empanelled 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 and this business is now being discontinued.

f. **Regulatory Updates:**

- IBBI has amended the IBBI (IU) Regulations, 2017 (IU Regulations), vide Notification dated 13th August 2024. The amendments were to come in effect from two phases i.e., from 1-10-2024 and 1-12-2024. Accordingly, NeSL has enhanced its IU software and implemented the amended Regulations as per the above time frames. As per the amended IU Regulation 21, NeSL commenced issuing the Records of default after verifying the proof of debt, proof of default and last date of acknowledgement of debt. The amended regulations provide that if the debtor disputes a part of the default amount or such dispute is in respect of only non-financial information, the IU shall issue the Record of default in respect of undisputed default amount, the IU software now provides for the same.
- 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 this statement 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, 2025, 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, 2025. The details of grievances received, redressed and pending during the previous year have been published on NeSL's Website, in compliance with IU Regulation.
- Details of Grievances Received, Resolved and Pending as at 31st March 2025, 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
2024-25	411	400	11*

Note : *The above 11 grievances received by NeSL during the week-end have been redressed on the next working day.

As per the provisions of Regulation 36A of IBBI (IU) Regulations, 2017,NeSL has regularly published statistical information at quarterly intervals, including for the quarter ending 30th June 2025.

III. TECHNOLOGY UPDATES

a. Datacentre Technology Refresh

We are pleased to share that the migration to our upgraded infrastructure at CtrlS Hyderabad, our primary data centre, has been successfully completed. We have also identified another managed service provider M/s Yotta for providing similar services at Mumbai.

This tech refresh marks a significant milestone in enhancing our overall IT resilience, scalability, and security posture. This architecture ensures that critical services remain unaffected, thanks to the implementation of high availability (HA) mechanisms across the infrastructure. By distributing workloads and redundancy, the infrastructure setup minimizes the risk of single points of failure and enhances service continuity.

Furthermore, the refresh has enabled:

- **Higher capacity and scalability** to accommodate growing business demands
- **Improved security controls** embedded at the hardware and network levels

This initiative significantly strengthens our foundational infrastructure and positions us well to meet current and future operational needs with greater efficiency and reliability.

b. IU Data submission module

The IU platform underwent key enhancements to align with revised requirements of Regulation 21 as published by the regulator. Form-C was enhanced to capture additional details, including indicators for fraud and wilful defaulters, and the Date of Last Acknowledgment of Debt (AoD) for default loans. The loan closure process in Form-C was also simplified by reducing the number of mandatory fields. Additionally, the platform was updated to support classification changes, allowing personal guarantors to be flagged as corporate debtors where applicable.

c. Digital Document Execution (DDE)

The platform saw several important enhancements aimed at improving flexibility, efficiency, and integration. An important implementation was the introduction of Hybrid e-BG support, which allowed physically issued e-BGs to be amended or renewed through the DDE platform, facilitating wider adoption by banks. The implementation of fungibility enabled a single imprest balance across all SHCIL states (digital stamping supported through the Stock Holding Corporation of India), significantly simplifying fund management and reconciliation.

During the course of the year, we have implemented several features designed to enable banks and financial institutions to integrate DDE into their workflows seamlessly and efficiently.

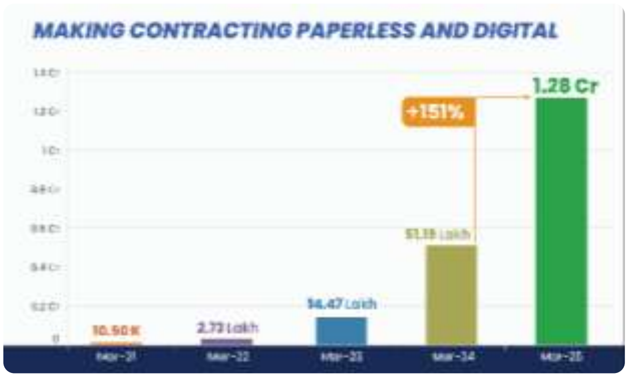
d. Digital Balance Confirmation Portal (DBCP):

The DBCP platform (Digital Balance Confirmation Portal) has been made live, with few banks already integrated. Although DBCP is a PSBA initiative, the entire platform architecture was designed and implemented by NeSL.

IV. OTHER IMPORTANT DEVELOPMENTS DURING THE YEAR

a. Momentum in DDE

NeSL's DDE found significant momentum during the last year with the number of executed transactions surpassing 1.28 crore as on 31st March 2025, an increase of 151%, compared to the previous year. The significant growth can be attributed to expansion of DDE across sectors and clients. NeSL's DDE is digital and paperless and marks a paradigm shift in the way contracting is done. It brings in efficiency, cost reduction and substantially enhances the user experience. It is now gaining acceptance in the BFSI sector and even beyond.



b. Expanding Presence of DDE

During the last year, 17 new Banks and NBFCs and 1 broking firm have been onboarded on NeSL's DDE. In addition, 11 banks have were onboarded to issue e-BGs. Zerodha, one of India's largest broking houses partnered with NeSL to fully digitize the execution of the DDPI document.

c. New Features Launched

Fungibility: This facility eliminates the need to maintain a separate imprest balance for each of the 21 states where the e-stamping is through Stock Holding Corporation of India Limited (SHCIL). Earlier DDE clients had to transfer and allocate funds separately to each of the 27 states and maintain fund balance separately for each state to ensure adequacy of imprest balances for e-stamping. With the introduction of "Fungibility", the need for fund allocation separately for the 21 states, which are through SHCIL, is eliminated and fund transfer can be done to single account. In the remaining 6 states, e-stamping is directly with the respective state governments and would need to be funded separately as before. The feature of "Fungibility" brings about efficiency in operations both at the users' end and at NeSL.

Verify e-BG: The e-BG verification facility can be used by the beneficiaries to verify the authenticity of an e-BG, issued through the NeSL portal, from a link available on the NeSL website. Thus, the authenticity of an e-BG can now be ascertained even without the usual process of accessing it through the NeSL portal. The e-BG verification can be done only by uploading a digitally signed soft copy and not a scanned document.

d. Upgradation of ISMS to ISO/IEC 27001:2022

NeSL is a repository of financial information submitted by regulated entities like banks and NBFCs and others. Information security is therefore of paramount importance for us at NeSL.

NeSL has implemented Information Security Management System as per ISO/IEC 27001:2013 standards and obtained its certification in June 2021. We are happy to advise that the upgraded Information Security Management System (ISMS) of NeSL is now certified by M/s Intertek Certification Limited, a UKAS accredited body under schedule of accreditation no. 014, for conforming to the requirements of ISO/IEC 27001:2022 standards.

e. Key Partnerships

In our efforts to bring about greater adoption of NeSL's e-BG, NeSL has entered into partnerships with many state governments and Central Government PSUs by integrating with their procurement portals and ERP systems. Some of them are GePNIC (Government eProcurement System of NIC), Government e-Marketplace (GeM), Karnataka Public Procurement Portal (KPPP), ONGC, IOC, HPCL etc.

f. During the year Zerodha started using NeSL's DDE services and subsequently they had given testimonial regarding their complete satisfaction with the services of NeSL. The onboarding of Zerodha was important as it gives wings to the company's aspiration of seeking opportunities for DDE beyond banks/NBFCs and making DDE a universal contracting interface. Further, considering the popularity of the Zerodha brand, it creates visibility for the company's DDE business.

g. An important development was the implementation of amendments to the IBBI (IU) Regulations, which requires NeSL to verify documents prior to issuance of RoD. This envisaged substantial enhancement in the software and as well as also operational preparedness to perform the enhanced responsibilities of verification of documents. The implementation was done within the timelines provided in the IBBI Regulations and the RoDs are now being used as per the revised provisions of law.

h. IIM Bangalore has recently published a study based on the data provided by NeSL and this has been well received in the media. This project was taken up more than 2 years back by NeSL but initially we could not make a breakthrough because of the provisions in the IU Regulations which restrict access or sharing of the data in the IU. Subsequently, at the request of NeSL and IIM B, this was taken up as an IBBI project, with IBBI also providing funding for the same. A tripartite agreement was signed between IBBI, NeSL and IIM B and data was shared with IIM B by NeSL and the study was conducted. The results have now been published in the media. The company is now trying to develop in house expertise to do such studies based on the information in the IU. In March, 2025, the MD presented a paper on interesting trends observed from analysis of the information in the IU at the 3rd International Conference organised by the 'the Insolvency Law Academy ', a reputed think tank. This paper has now been accepted for publication in an international journal.

i. Efforts have been made to make the company a knowledge driven organisation. There is a monthly quiz on the IBC, while awareness sessions are periodically held on important developments in the industry. The company also hosts the monthly meeting of the Bengaluru chapter of INSOL.

j. The endeavour of the company now is to make IU more relevant in legal proceedings. The verification of data before issuance of ROD would bring more acceptability of the ROD in IBC proceedings vis a vis other sources of information to establish debtor obligations. NeSL has also taken up with DRT for use of the ROD. The success with Zerodha and BSNL has encouraged us to explore new use cases for DDE across sectors and industries. e-BG has now gained acceptability, the effort is now going on to bring about more penetration across banks and beneficiaries.

k. The new initiatives for the year ahead include partnering with MeITY to make entity registration online and seamless. Another priority is the launch of the Balance Confirmation Project. As a strategic business decision, the company had decided to partner with reputed brands and companies. The company is in advanced stages of discussion with many reputed brands like 'Protean' and 'Jio' and it's expected that these partnerships would contribute to growth in revenues.

V. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES:

As part of its Corporate Social Responsibility activity, the Company as a policy decision supports initiatives in the sustainability and Health care segments. The company engages with reputed institutions and fund for their activities which fall under the above two categories. This helps the **company in ensuring the proper utilisation of funds and also timely completion of the projects.** During the FY 2024-25 the funds available for the CSR spend was Rs.104 lakh and NeSL supported the following two activities:

a. Environmental Sustainability: NeSL, as part of its CSR activity, strives to support initiatives to promote sustainability. During the year company part funded, IIM Bangalore (IIMB), one of the premier educational institutions in the country, in buying an EV bus for use of their students and staff. This will help them in replacing a diesel bus which was being used earlier and thus contribute to sustainability. Out of the total cost of the bus of Rs.1.07 crore, company has funded Rs.74 lakh with the balance amount being paid by IIMB from its own sources.

b. 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 purchasing several critical equipment at a cost of Rs. 30 lakh.

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.

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, 2025, 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:

a. NESL Asset Data Limited (NADL):

NADL entered the financial year with a strategy centered around scale, reliability, and ecosystem expansion. The primary goal for the year was to significantly enhance platform activity by increasing the volume of data fetches. There was growth in onboarding of Financial Information Users (FIUs). During the year, 75 new FIUs were successfully integrated onto the NADL platform. This expansion was driven through two primary channels:

- Direct onboarding efforts, which involved engaging FIUs across banking, lending, fintech, and investment domains.
- Partnerships with Technology Service Providers (TSPs), where NADL's dedicated outreach strategy yielded high-impact collaborations with all the major non-AA TSPs in the country.

This strategic progress aligns well with NADL's overarching vision of enabling data democratization while maintaining the highest standards of security, compliance, and technical capability. With the AA ecosystem in India expanding rapidly, NADL is well-poised to further consolidate its position and continue delivering value to its stakeholders.

NeSL has invested Rs.22 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.

The IBBI, during its last annual inspection of NeSL, had raised concerns that the subsidiary companies which are unregulated / non-regulated by the IBBI, have the potential of bypassing the regulatory approvals required from the IBBI to provide incidental services as per the provisions of the Code and Regulations made thereunder.

The Board decided that the management explore the options for disinvestment of NeSL's stake in NADL. Subsequently at the EGM held on 20th May, 2025, the shareholders have accorded their approval to sell 100% of NeSL's stake in NADL. The Company has initiated the required process to proceed with the stake sale.

b. NESL E-Infrastructure Limited (NEIL):

Due to the regulatory concerns of IBBI NeSL in respect of NEIL decided to terminate the operations of NEIL and that the company be brought to a dormant status, pursuant to Section 455 of the Companies Act, 2013, as an inactive company by making an appropriate application to the Registrar of Companies upon meeting the criteria. This decision was communicated to the Board of NEIL and necessary disengagement of clients and termination of vendor agreements has been initiated and the Company is expected completely terminate its operations by 31st July 2025.

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. 187.52 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:

Appointments/Re-appointments/ resignations:

i. Shri. Lal Singh representing Bank of Baroda was appointed as Nominee Director w.e.f 21.01.2025
ii. Shri. N S Vishwanathan was appointed as an additional director by the Board on 28th March 2024 and was regularised as an Independent Director for a term of three years at the Annual General Meeting held on 26th December 2024.
iii. Shri. Prasad Parameswaranpillai Naga was re-appointed as an independent director for second term of 3 years at the Annual General Meeting held on 26th December 2024.
iv. Smt. Sudha Krishnan was re-appointed as an independent director for second term of 3 years at the Annual General Meeting held on 26th December 2024.
v. Shri. Rajesh Rasiklal Doshi was re-appointed as an independent director for second term of 3 years at the Annual General Meeting held on 26th December 2024.
vi. During the year Shri. Vinod Shenoy M resigned as Chief Financial Officer & KMP on 14th November 2025 and in his place Shri. Diwakar Kannan, Chief Technology Officer was appointed as interim Chief Financial Officer.
vii. Shri. Pradeep Shripad was appointed as Chief Financial officer w.e.f 5th February 2025 at the Board meeting held on 6th March 2025 and consequently Shri. Diwakar Kannan was relieved as Interim CFO.

XV. DIRECTOS 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.

XVI. PARTICULARS OF REMUNERATION OF DIRECTORS AND EMPLOYEES

a. Directors

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 Lakh)
1	Shri. Debajyoti Ray Chaudhuri	01/04/2024 to 31/03/2025	117.59

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.

As we are a public limited company and not listed, the provisions of Rule 5(2) and (3) are not applicable, and hence, no such disclosure is required in the Board's Report for the period.

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.

The summary of complaints pertaining to sexual harassment filed, disposed of, and pending during the financial year 2024-25 are as follows:

1. Number of complaints of sexual harassment received in the year - NIL
2. Number of complaints disposed off during the year - NIL
3. Number of cases pending for more than ninety days – NIL

d. Disclosure with respect to Maternity Benefit Act, 1961:

In compliance with the provisions of the Maternity Benefit Act, 1961, including its subsequent amendments, the Company confirms that it has duly adhered to all statutory requirements concerning maternity leave and payment of maternity benefits. The Company ensures that all eligible female employees receive their entitlements as mandated by the Act, without any discrimination.

XVII. GOVERNANCE/SECRETARIAL

A Report on Corporate Governance for the financial year ended 31st March 2025 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 Company had engaged an independent agency, M/s S. N. Ananthasubramanian & Co for the process of Board Performance evaluation. The Annual Evaluation was 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 report upon review by the nomination and remuneration committee, will be placed before the Board. The Independent Directors also separately met once on 6th March 2025 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, which are 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, 2025:

Sl No	Name of the Company	Amount invested
1.	NESL Asset Data Limited (NADL)	18,00,00,000
2.	NESL E Infrastructure Limited (NEIL)	1,00,00,000

NeSL has subsequently invested Rs. 4 crores in NADL during June, 2025. Accordingly, the total investment in NADL as on the date of this report is Rs. 22 crores.
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 21st September 2024 M/s K N Prabhashankar & Co, Chartered Accountants (bearing FRN 004982S), were appointed as the Statutory Auditors of the company for the Financial year 2024-25 by the shareholders of the Company at the Annual General Meeting held on 26th December 2024 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 2025-26. The company will appoint the auditors based on the recommendation of the C&AG.
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 2024-25.

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 had appointed M/s. Chartered Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2024-2025. The Secretarial Audit Report for the financial year 2024-2025 does not contain any adverse remark, qualification or reservation. The Secretarial Audit Report for financial year 2024-25 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. BDO India LLP, Chartered Accountant firm as Internal Auditors of the Company for the FY 2024-25 and FY 2025-26.

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. **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:

a. Composition of the Board & KMP: The Board comprised of the following directors as on date of the report:

Sl. No.	Name of Directors	Designation	DIN	Date of Appointment	Date of Cessation
1	Shri. Nurani Subramanian Vishwanathan	Chairman and Independent Director	09568559	28/03/2024	-
2	Smt. Sudha Krishnan	Independent Director	02885630	15/02/2022	-
3	Shri. Prasad Parameswaranpillai Naga	Independent Director	07430506	15/02/2022	-
4	Shri. Rajesh Doshi	Independent Director	00059903	07/05/2022	-
5	Shri. Jagat Singh Tolia	Nominee Director (LIC)	09617044	06/06/2023	-
6	Shri Atul Arora	Nominee Director (ICICI Bank)	01999097	13/05/2024	-
7	Shri. Ashok Kumar Sharma	Nominee Director (SBI)	09832521	22/07/2024	-
8	Shri. Lal Singh	Nominee Director (Bank of Baroda)	08221094	21/01/2025	-
9	Shri. Debajyoti Ray Chaudhuri	Managing Director & CEO	09242571	18/08/2021	-

b. KMPs of the company:

Sl. No.	Name of KMPs	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	14/11/2024
4.	Shri. Diwakar Kannan	Chief Financial Officer (Interim)	15/11/2024	04/02/2025
5.	Shri. Pradeep Shripad	Chief Financial Officer	05/02/2025	-
6.	Smt. S Padmavathy	Company Secretary	01/10/2022	-

c. Meetings of the Board: The Board met six 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	16th April 2024	8	6	2
2	04th July 2024	8	7	1
3	05th August 2024	8	8	-
4	14th November 2024	8	8	-
5	19th December 2024	8	5	3
6	06th March 2025	9	9	-

d. Attendance of Directors: Details of attendance of Directors at the Board Meetings held during the financial year 2024-2025 are provided below

Sl. No.	Name of Directors	Designation	No of Meetings attended
1	Shri. Nurani Subramanian Vishwanathan	Chairman & Independent Director	6
2	Shri. Prasad Parameswaranpillai Naga	Independent Director	6
3	Smt. Sudha Krishnan	Independent Director	5
4	Shri. Rajesh Doshi	Independent Director	6
5	Shri. Rama Subramaniam Gandhi#	Independent Director	1
6	Shri. B Sankar##	Nominee Director (SBI)	-
7	Shri. Ashok Kumar Sharma	Nominee Director (SBI)	4
8	Shri. Jagat Singh Tolia	Nominee Director (LIC)	4
9	Shri. Atul Arora	Nominee Director (ICICI)	4
10	Shri. Lal Singh	Nominee Director (BOB)	1
11	Shri. Debajyoti Ray Chaudhuri	MD & CEO	6

Shri. Rama Subramaniam Gandhi ceased to be director of the Company w.e.f 17th April 2024

Shri. B Sankar ceased to be directors of the Company w.e.f 25th July 2024

e. Independent Directors Meeting held on 06th March 2025

Sl No.	Name of Directors	Designation	Attendance
1	Shri. N S Vishwanathan	Independent Director	Attended
2	Smt. Sudha Krishnan	Independent Director	Attended
3	Shri. Prasad Parameswaranpillai Naga	Independent Director	Attended
4	Shri. Rajesh Doshi	Independent Director	Attended

f. The 8th Annual General Meeting of the Company was held on 26th December 2024 and following directors attended the AGM:

Sl No	Name of Directors	Attendance
1	Shri. Nurani Subramanian Vishwanathan	Attended
2	Shri. Prasad Parameswaranpillai Naga	Attended
3	Shri. Rajesh Doshi	Attended
4	Shri. J S Tolia	Attended
5	Shri. Atul Arora	Attended
6	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:

a. Audit Committee

i. Composition of the Committee: The Audit Committee of the company comprised of the following members as on date of the report:

Sl. No.	Name of Directors	Designation
1	Smt. Sudha Krishnan	Chairperson(Independent Director)
2	Shri. Nurani Subramanian Vishwanathan	Member (Independent Director)
3	Shri. Ashok Kumar Sharma	Member (Nominee Director-SBI)

ii. Terms of Reference: The Committee shall inter alia be responsible for:

a. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;

b. Review and monitor the auditors' independence and performance and effectiveness of audit process;

c. Examination of the financial statement and the auditors' report thereon;

d. Approval or any subsequent modification of transactions of the company with related parties

e. Scrutiny of inter-corporate loans and investments;

f. Valuation of undertakings or assets of the company, wherever it is necessary;

g. Evaluation of internal financial controls and risk management systems;

h. Monitoring the end use of funds raised through public offers and related matters.

iii. Meetings of the Audit Committee: The Audit Committee met four times during the financial year 2024-25

Sl. No.	Date of Meeting	No of Directors eligible to Attend	No of Directors attended	No of Directors not attended
1	21-05-2024	3	3	-
2	31-07-2024	3	3	-
3	14-11-2024	3	3	-
4	19-12-2024	3	3	-

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

Sl. No.	Name of Directors	Designation	No of Meetings attended
1	Shri. Nurani Subramanian Vishwanathan	Independent Director	4
2	Smt. Sudha Krishnan	Independent Director	4
3	Shri. B Sankar *	Nominee Director (SBI)	1
4	Shri. Ashok Kumar Sharma	Nominee Director (SBI)	3

* Shri. B Sankar ceased to be directors of the Company w.e.f 25th July 2024

b. Nomination and Remuneration Committee:

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

Sl No.	Name of Directors	Designation
1	Shri. Prasad Parameswaranpillai Naga	Chairman (Independent Director)
2	Shri. Nurani Subramanian Vishwanathan	Member (Independent Director)
3	Shri. Jagat Singh Tolia	Member (Nominee Director-LIC)

ii. Terms of Reference:

The Committee shall *inter alia* be responsible for:

a. 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;

b. Review and concur the appointments of KMPs, Directors and senior management team one level below the Board;

c. Ensure the compliance in terms of constitution and reconstitution of various Committees and advise the Board accordingly;

d. Recommend new Board members in light of resignation of current members or a planned expansion of the Board;

e. Review stockholder proposals relating to Board's composition and recommend an appropriate course of action;

f. Review key corporate governance processes not specifically assigned to other committees, and recommend changes needed to ensure that the company is at best practice;

g. Formulate criteria for determining qualifications, positive attributes and independence of director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;

h. Review and recommend to the Board the appointment and fixation of compensation payable to KMPs, 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, KMPs 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 terms of reference.

iii. Meetings of the Nomination and Remuneration Committee: The Committee met six times during the financial year 2024-25:

Sl No	Date of Meeting	No of Directors eligible to Attend	No. of Directors attended	No of Directors not attended
1	12-04-2024	3	3	-
2	09-05-2024	3	3	-
3	31-07-2024	3	3	-
4	06-09-2024	3	3	-
5	14-11-2024	3	3	-
6	03-02-2025	3	3	-

iv. Attendance of Directors: Details of attendance of Directors at the Nomination and Remuneration Committee Meetings held during the reporting period, are provided below:

Sl No	Name of Directors	Designation	No of Meetings attended
1	Shri. Prasad Parameswaranpillai Naga	Independent Director	6
2	Shri. Ramasubramaniam Gandhi $	Independent Director	1
3	Shri. Nurani Subramanian Vishwanathan	Independent Director	5
4	Shri. Jagat Singh Tolia	Nominee Director (LIC)	6

$ Shri. Rama Subramaniam Gandhi ceased to be director of the Company w.e.f 17th April 2024

c. Corporate Social Responsibility Committee

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

Sl No	Name of Directors	Designation
1	Shri. Nurani Subramanian Vishwanathan	Chairman (Independent Director)
2	Shri. Prasad Parameswaranpillai Naga	Member (Independent Director)
3	Smt. Sudha Krishnan	Member (Independent Director)
4	Shri. Ashok Kumar Sharma	Member (Nominee Director-SBI)

ii. 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.

iii. Meetings of the Corporate Social Responsibility Committee : The Committee met twice during the financial year 2024-25:

Sl. No.	Date of Meeting	No of Directors eligible to Attend	No of Directors attended	No of Directors not attended
1	08-10-2024	4	3	1
2	06-03-2025	4	3	1

iv. Attendance of Directors: Details of attendance of Directors at the Corporate Social Responsibility Committee Meetings held during the reporting period, are provided below:

Sl. No.	Name of Directors	Designation	No. of Meetings attended
1	Shri. Nurani Subramanian Vishwanathan	Independent Director	2
2	Shri. Prasad Parameswaranpillai Naga	Independent Director	2
3	Smt. Sudha Krishnan	Independent Director	2
4	Shri. Ashok Kumar Sharma	Nominee Director, SBI	-

d. Sub-Committees of the Board

i. Investment Committee:

a. Composition of the Committee: The Investment Sub-Committee of the company consists of the following members

Sl No	Name of Members	Designation
1	Shri. Ashok Kumar Sharma	Chairman (Nominee Director-SBI)
2	Shri. Jagat Singh Tolia	Member (Nominee Director-LIC)
3	Shri. Debajyoti Ray Chaudhuri	Member (MD & CEO)
4	Shri. Pradeep Shripad*	Member (CFO)

* Shri. Pradeep Shripad, CFO replaced Shri. Vinod M Shenoy as Member w.e.f. 06th March, 2025.

b. Terms of Reference: The Committee shall *inter alia* be responsible for:

i. To review the investments of the company.

ii. To advise on the investments as per the investment policy of the company.

c. Meetings of the Investment Committee: The Committee met once during the financial year 2024-25:

Sl. No.	Date of Meeting	No of members eligible to Attend	No of members attended	No of members not attended
1	24th March 2025	4	4	-

d. Attendance of Members: Details of attendance of Directors at the Investment Committee Meeting held during the reporting period, are provided below:

Sl. No.	Name of Members	Designation	No. of Meetings attended
1	Shri. Ashok Kumar Sharma	Chairman (Nominee Director-SBI)	1
2	Shri. Jagat Singh Tolia	Member (Nominee Director-LIC)	1
3	Shri. Debajyoti Ray Chaudhuri	Member (MD & CEO)	1
4	Shri. Pradeep Shripad	Member (CFO)	1

ii. Technology Committee

a. Composition of the Technology Committee: The Technology Committee of the company consists of the following members:

Sl No	Name of Members	Designation
1	Shri Rajesh Doshi, former ED/CTO NSDL	Chairperson (Independent Director of the Company)
2	Shri S. Sadagopan, former Director IIIT Bangalore	Member
3	Shri N Rajendran, Chief Digital Officer, MCX	Member
4	Shri N. Sarat Chandra Babu, former Executive Director, SETS	Member
5.	Shri N. Subramanian, Executive Director SETS	Member

b. Terms of Reference:

a) Technology Committee will be composed of experts in the field of technology.

b) It shall have recommendatory powers with respect to technology matters to the Board.

c. Meetings of Technology Committee:

The Committee did not meet during the financial year 2024-25.

III. ACKNOWLEDGEMENTS

The Directors thank the Government of India, Governments in various States and Union Territories in India, Comptroller and Auditor General of India, Concerned Government Departments, Insolvency and Bankruptcy Board of India, Reserve Bank of India, The Indian Banks' Association 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		
Date: 11th July 2025	Debajyoti Ray Chaudhuri	Nurani Subramanian 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 lakh.)

Sl. No.	Particulars	NADL	NEIL
1	Name of the subsidiary	NeSL Asset Data Limited	NeSL E Infrastructure Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2024 To 31-03-2025	01-04-2024 To 31-03-2025
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA
4	Share capital	1800	100
5	Reserves & surplus	(990)	57
6	Total assets	973	223
7	Total Liabilities	163	66
8	Investments	40	-
9	Turnover	92	65
10	Profit before taxation	(386)	(1)
11	Provision for taxation	98	(3)
12	Profit after taxation	(288)	(4)
13	Proposed Dividend	-	-
14	% of shareholding	100 %	100 %

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

1. Names of subsidiaries which are yet to commence operations – NA
2. 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	
Date: 11th July, 2025	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	1st April 2024 to 31st March 2025	1st April 2024 to 31st March 2025
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	1. Billed annually by NeSL: Rs. 16.24 Lakh 2. Billed annually by NADL Rs. 0.01 Lakh	1. Billed annually by NeSL: Rs. 19.01 Lakh 2. Billed annually by NEIL Rs. 289.62 Lakh
e.	Date of approval by the Board	5th August 2024	5th August 2024
f.	Amount paid as advances, if any	-	-

For and on behalf of the Board of National E-Governance Services Limited		
Date: 11th July, 2025	Debajyoti Ray Chaudhuri	Nurani Subramanian 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 2024-25

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:
   a. 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;
   b. 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)
   c. 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 Directors	Designation / Nature of Directorship
1	Shri. N S Vishwanathan	Chairman & Independent Director
2	Shri. Prasad Parameswaranpillai Naga	Member & Independent Director
3	Smt. Sudha Krishnan	Member & Independent Director
4	Shri. Ashok Kumar Sharma	Member & Nominee Director (SBI)

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.nesl.co.in

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): NIL
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
	-	-	-
	Total	-	-

6. Average net profit of the company as per section 135(5) – Rs. 51,88,39,674/-

7. a) Two percent of average net profit of the company as per section 135(5)- Rs. 1,03,76,793/-
   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. 1,03,76,793/-

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer
1,04,00,000.00	NIL	-	-	NIL	-

(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. (State , District)	Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
							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	30,00,000	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	74,00,000	Yes	Indian Institute of Management	CSR00003458
	Total				**Rs. 1,04,00,000.00**			

(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 1,04,00,000.00**/-

(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. 1,03,76,793
(ii)	Total amount spent for the Financial Year	**Rs. 1,04,00,000**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 23,207
(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

10. (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							

1. 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**

2. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – **NA**

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

Sd/-	Sd/-
Debajyoti Ray Chaudhuri (Managing Director & CEO) DIN: 09242571	Nurani Subramanian 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 2025

[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 2025** ('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, 2025 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, 2025 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.**

M. No: F12... C.P. No: 157...

Address: #2393/A, 10th Main Road, Rajajinagar, Bengaluru 560 010
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 C.P. No: 15741 COMPANY SECRETARY

Address: #2393/A, 10th Main Road, Rajajinagar, Bengaluru 560 010
Contact No: +91-90368 06925 || **E-mail id:** cs.ankushsethi@gmail.com

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.

ANKUSH SETHI
M. No: F12836
C.P. No: 15741
COMPANY SECRETARY

Ankush Sethi

Date: 11.07.2025
Place: Bengaluru

Ankush Sethi
Mem No: F12836
C.P. No: 15741
UDIN: F012836G000725671

Address: #2393/A, 10th Main Road, Rajajinagar, Bengaluru 560 010
Contact No: +91-90368 06925 || **E-mail id:** cs.ankushsethi@gmail.com

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.

ANKUSH SETHI
M. No: F12836
C.P. No: 15741
COMPANY SECRETARY

Date: 11.07.2025
Place: Bengaluru

Ankush Sethi
Mem No: F12836
C.P. No: 15741
UDIN: F012836G000725671

Address: #2393/A, 10th Main Road, Rajajinagar, Bengaluru 560 010
Contact No: +91-90368 06925 || **E-mail id:** cs.ankushsethi@gmail.com

K N PRABHASHANKAR & CO.
CHARTERED ACCOUNTANTS
S-2, Narayana, 25, Mission Road, Shama Rao Compound
Bengaluru - 560 027. India
Telefax: +91-80-22237045, +91-80-22241284
e-mail: knp@akpco.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of 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 March 31, 2025, 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 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, as amended ("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, 2025, and its profit (including other comprehensive loss), Changes in Equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

K.N. PRABHASHANKAR & CO. ★ BENGALURU ★ CHARTERED ACCOUNTANTS

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 the 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 auditors' 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards Rules, 2015), as amended. 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 standalone financial statements.

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1) 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.

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

(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 standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards Rules, 2015), as amended.

(e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements 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, as amended, 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that caused us 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.

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

v. The Final Dividend proposed in the previous year has been paid by the Company during the current year in compliance with section 123 of the Companies Act, 2013.

vi. 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 March 31, 2025, which has feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all the transactions recorded in the software and we did not come across any instance of the audit trail feature being tampered with, during the course of our audit and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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 K N Prabhashankar & Co.,
Chartered Accountants
Firm Reg. No. 004982S

A.Umesh Patwardhan
Partner
M. No.222945
UDIN: 25222945BMLIGN3211

Place: Bengaluru
Date: July 11, 2025

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' 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 ('the Company') of 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 state that:

i)

a) i) The Company has maintained proper records showing full particulars, including details and situation of property. Plant and Equipment and relevant details of right-of-use assets.

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

b) 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, 2025 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 limits in excess of Rs. Five crores in aggregate from banks or financial institutions on the basis of security of current assets at any point of time during the year, Accordingly, 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 One Subsidiary Company during the year. Further, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any Other Parties during the year. Accordingly, 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.

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 Company has complied with the provisions of Section 185 and 186 of the Act.

v) In our opinion and according to the information and explanations given to us, 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 reporting under clause 3(v) of the Order are not applicable.

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

vi) In our opinion and according to the information and explanations given to us, the maintenance of cost records has not been prescribed 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) According to the information and explanations given to us and verified by us, the Company is regular in depositing the undisputed statutory dues payable including Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and any other statutory dues applicable to it with the appropriate authorities.
According to the information and explanations given to us and verified by us, there were no undisputed amounts payable in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and any other statutory dues applicable to it as at March 31, 2025 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and verified by us, there are no disputed amounts in respect of such statutory dues referred to in sub-clause (a) above as at March 31, 2025.

viii) According to the information and explanations given to us and verified by us, 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 standalone 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, associates or joint ventures.

f) The Company has not raised any loans during the year from its subsidiaries, associates or joint ventures and hence reporting 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.

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

xi) According to the information and explanations given to us and verified by us,

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) There are no whistle blower complaints received by the Company during the year.

xii) In our opinion, the Company is not a Nidhi Company. Hence, reporting under clause 3(xii) of the Order is not applicable.

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

xiv)

a) In our opinion the Company has an adequate Internal Audit system commensurate with the size and nature of its business.
b) We have considered the Internal Audit reports issued to the Company for the year under audit 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 current financial year covered by our audit and has also not incurred cash losses during the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year.

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

xix) On the basis of the financial ratios disclosed in note 37 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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) a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 36 to the standalone financial statements.

b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 36 to the standalone financial statements.

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 the said clause.

for K N Prabhashankar & Co.,
Chartered Accountants
Firm Reg. No. 004982S

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

A.Umesh Patwardhan
Partner
M. No.222945
UDIN: 25222945BMLIGN3211

Place: Bengaluru
Date: July 11, 2025

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' 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 ('the Company) 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, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (Guidance Note) issued by the 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 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.

K.N. PRABHASHANKAR & CO.,
BENGALURU
CHARTERED ACCOUNTANTS

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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections 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 has, in all material aspects, adequate internal financial controls over financial reporting and such controls were operating effectively as at March 31, 2025, 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 K N Prabhashankar & Co.,
Chartered Accountants
Firm Reg. No. 004982S

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

A.Umesh Patwardhan
Partner
M. No.222945
UDIN: 25222945BMLIGN3211

Place: Bengaluru
Date: July 11, 2025

"ANNEXURE C" TO THE INDEPENDENT AUDITORS' REPORT

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

Sl. No.	Directions	Compliance
1.	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	As provided in Note 29, the Company provides for gratuity which is a defined benefit post-retirement plan. The Company gets an actuarial valuation done for its gratuity liability using projected unit credit method as per the requirement of IndAS 19. The Company has formed a Trust, and the contributions made to the trust are invested in a scheme with the Life Insurance Corporation of India. The fair value of the investment is taken on the basis of closing fund balance given by the Life Insurance Corporation of India. This is in compliance with the applicable regulations and there are no material deviations or misstatements. Apart from the above, there are no other investments made by the Company or through Trusts for any post-retirement benefits.
2.	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 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.
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 received from Central/State Government or its Central/State Government or its Agencies by the Holding Company and its Subsidiary Companies.
4.	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	The Company has identified key Risk areas and has a risk management policy duly approved by the Board. The Risk management Policy has been formulated considering global best practices with reference to ISO 31000:2018. Information Security Management System (ISMS) of NeSL is certified by M/s Intertek Certification Limited, a UKAS accredited body under schedule of

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

		accreditation no. 014. for conforming to the requirements of ISO/IEC 27001:2022 standards. The Information Security risk is managed through Information Security Management System (ISMS) as per ISO 27001:2022 standard. Data asset valuation, data classification and handling are done through ISMS policies and procedures. NeSL being an Information Utility (IU) shall hold the information as a custodian (as per IU Reg 28(2)). An IU is not the owner of data held by it. The data is not forming an asset of the IU and hence not insurable as an asset of IU. Accordingly, the Data submitted to the IU is not valued. However, the NeSL as IU has taken sufficient insurance to indemnify the data owners for any loss or inconvenience caused to them, for impairment of the data submitted by them to IU.
5.	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	The Company is an unlisted entity and the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India are not applicable to the Company. The Company has complied with the regulations of Ministry of Corporate Affairs.

for K N Prabhashankar & Co.,
Chartered Accountants
Firm Reg. No. 004982S

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

A.Umesh Patwardhan
Partner
M. No.222945
UDIN: 25222945BMLIGN3211

Place: Bengaluru
Date: July 11, 2025

<u>**C&AG COMMENTS ON STANDALONE FINANCIAL STATEMENTS**</u>

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 2025

The preparation of financial statements of National E-Governance Services Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 read of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 11 July 2025.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of National E-Governance Services Limited for the year ended 31 March 2025 under section 143(6)(a) of the Act.

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

Sd/-
(Vijay Nanalal Kothari)
Director General of Audit (Shipping), Mumbai

Place: Mumbai
Date: 26.08.2025

National E-Governance Services Limited
CIN: U72900MH2016GOI282855
Standalone Balance Sheet as at March 31, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Property, Plant and Equipment	4	85	73
Right-of-use assets	7	430	578
Other intangible assets	5	39	49
Intangible assets under development	8	-	-
Financial assets			
Investments	9	10,535	6,669
Other financial assets	11	5,923	4,617
Deferred tax assets (net)	22	206	144
Other non-current assets	14	16	12
Total non-current assets		**17,234**	**12,142**
Current assets			
Financial assets			
Investments	9	1,710	777
Trade receivables	10	7,042	5,515
Cash and cash equivalents	12	3,416	2,738
Bank balances other than cash and cash equivalents	13	9,359	10,853
Other financial assets	11	78	13
Current tax assets (net)	22	634	485
Other current assets	14	129	150
Total current assets		**22,368**	**20,531**
Total assets		**39,602**	**32,673**
Equity and liabilities			
Equity			
Equity share capital	16	7,500	7,500
Other equity	17	18,752	14,064
Total equity		**26,252**	**21,564**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	7	341	494
Provisions	20	398	215
Other non-current liabilities	21	3,966	3,126
Total non-current liabilities		**4,705**	**3,835**
Current liabilities			
Financial liabilities			
Lease liabilities	7	153	137
Trade payables			
a) Total outstanding dues of micro and small enterprises	19	87	3
b) Total outstanding dues of creditors other than micro and small enterprises	19	748	448
Other financial liabilities	18	487	523
Other current liabilities	21	6,883	6,063
Provisions	20	287	100
Total current liabilities		**8,645**	**7,274**
Total liabilities		**13,350**	**11,109**
Total equity and liabilities		**39,602**	**32,673**

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 K N Prabhashankar & Co.
Chartered accountants
Firm registration number: 004982S

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

Sd/-
A.Umesh Patwardhan
Partner
Membership No: 222945
Date: 11 July, 2025
Place: Bengaluru

Sd/-
N. S. Vishwanathan
Chairperson
DIN: 09568559

Sd/-
Debajyoti Ray Chaudhuri
Managing Director & CEO
DIN: 09242571

Sd/-
Nivedita E. P.
Executive Director & CRO

Sd/-
Pradeep Shripad
Chief Financial Officer
Date: 11 July, 2025
Place: Bengaluru

Sd/-
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, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations	23	12,874	10,515
Other income	24	1,699	1,237
Total income		**14,573**	**11,752**
Expenses			
Cost of services	25	2,933	2,043
Employee benefit expenses	29	3,051	2,012
Finance costs	26	43	43
Depreciation and amortization expense	27	194	238
Other expenses	28	1,027	996
Total Expenses		**7,248**	**5,332**
Profit before tax		**7,325**	**6,420**
Tax expense			
Current tax	22	(1,929)	(1,652)
Deferred tax	22	54	39
Total tax expense		**(1,875)**	**(1,613)**
Profit for the year		**5,450**	**4,807**
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)	29	(20)	(8)
Income tax relating to these items	22	8	2
Total other comprehensive income/(loss), net of tax		**(12)**	**(6)**
Total comprehensive income for the year		**5,438**	**4,801**
Earning per equity share of face value of Rs.10 each			
Basic (amount in ₹ per share)	30	7.27	6.41
Diluted (amount in ₹ per share)	30	7.27	6.41

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 K N Prabhashankar & Co.
Chartered accountants
Firm registration number: 004982S

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

Sd/-
A.Umesh Patwardhan
Partner
Membership No: 222945
Date: 11 July, 2025
Place: Bengaluru

Sd/-
N. S. Vishwanathan
Chairperson
DIN: 09568559

Sd/-
Debajyoti Ray Chaudhuri
Managing Director & CEO
DIN: 09242571

Sd/-
Nivedita E. P.
Executive Director & CRO

Sd/-
Pradeep Shripad
Chief Financial Officer
Date: 11 July, 2025
Place: Bengaluru

Sd/-
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, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

a) Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	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, 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**
Balance as at April 1, 2024	**14,064**	**14,064**
Changes in accounting policy or prior period errors	-	-
Restated balance at the April 1, 2024	14,064	14,064
Profit for the year	5,450	5,450
Other comprehensive income/(loss)	(12)	(12)
Final dividend paid (2023-24 @ Rs 1 per share)	(750)	(750)
Balance as at the year ended March 31, 2025	**18,752**	**18,752**

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 K N Prabhashankar & Co.
Chartered accountants
Firm registration number: 004982S

Sd/-
A.Umesh Patwardhan
Partner
Membership No: 222945
Date: 11 July, 2025
Place: Bengaluru

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

Sd/-
N. S. Vishwanathan
Chairperson
DIN: 09568559

Sd/-
Debajyoti Ray Chaudhuri
Managing Director & CEO
DIN: 09242571

Sd/-
Nivedita E. P.
Executive Director & CRO

Sd/-
Pradeep Shripad
Chief Financial Officer
Date: 11 July, 2025
Place: Bengaluru

Sd/-
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, 2025
(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, 2025	Year ended March 31, 2024
Cash flow from operating activities			
Profit for the year		7,325	6,420
Adjustments for:			
Depreciation and amortization expense		194	238
Profit from sale of mutual funds		-	(31)
Gain on fair value restatement of mutual funds		(125)	(5)
Interest income from fixed deposits		(1,079)	(888)
Interest income from government securities		(477)	(309)
Finance costs		43	43
Assets written off *		-	-
Loss on sale of assets		-*	-
(Gain)/loss on lease modification		-	1
Change in operating assets & liabilities			
(Increase)/decrease in trade receivables		(1,527)	(866)
(Increase)/decrease in other financial assets		(81)	(2)
(Increase)/decrease in other assets		17	(30)
Increase/(decrease) in trade payables		384	213
Increase/(decrease) in other financial liabilities		(36)	221
Increase/(decrease) in other liabilities		1,660	1,901
Increase/(decrease) in provisions		350	2
Cash generated from operations		**6,648**	**6,908**
Income taxes paid		(2,078)	(2,133)
Net cash inflow from operating activity		**4,570**	**4,775**
Cash flow from investing activities			
Purchase of property plant and equipment		(41)	(24)
Payment for intangible assets and intangible assets under progress		(8)	(4)
Proceeds from sale of property plant and equipment		1	-
Investment in fixed deposits		(9,045)	(10,222)
Redemption/maturity of fixed deposits		9,350	9,181
Interest received on fixed deposits		978	811
Investment in liquid mutual funds		(808)	(700)
Redemption of mutual funds		-	300
Investment in government securities		(3,499)	(2,182)
Interest received on government securities		410	273
Investment in subsidiaries		(300)	(510)
Net cash outflow from investing activities		**(2,962)**	**(3,077)**
Cash flow from financing activities			
Payment of principal element of lease liabilities		(137)	(210)
Payment of interest on lease liabilities		(43)	(44)
Payment of interim dividend		(750)	-
Net cash outflow from financing activities		**(930)**	**(254)**
Net increase in cash and cash equivalents		678	1,444
Cash and cash equivalent at the beginning of the year		2,738	1,294
Cash and cash equivalent at the end of the year		**3,416**	**2,738**
Components of cash and cash equivalents			
Balances with banks			
Current accounts	12	543	535
In deposit account with original maturity within 3 months from the date of deposit	12	2,871	2,195
Income accrued but not due on deposits with original maturity within 3 months from the date of deposit	12	2	8
Cash on hand	12	-	-
Total cash and cash equivalents		**3,416**	**2,738**

*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 K N Prabhashankar & Co.
Chartered accountants
Firm registration number: 004982S

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

Sd/-
A.Umesh Patwardhan
Partner
Membership No: 222945
Date: 11 July, 2025
Place: Bengaluru

Sd/-
N. S. Vishwanathan
Chairperson
DIN: 09568559

Sd/-
Debajyoti Ray Chaudhuri
Managing Director & CEO
DIN: 09242571

Sd/-
Nivedita E. P.
Executive Director & CRO

Sd/-
Pradeep Shripad
Chief Financial Officer
Date: 11 July, 2025
Place: Bengaluru

Sd/-
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, 2025
(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 standalone financial statements for the year ended March 31, 2025 were approved by the Board of Directors and authorized for issue on July 11, 2025.

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 uptil March 31, 2025.

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.
•Defined benefit plans - plan assets measured at fair value

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.

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 (PY) 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 29)
•Estimation of provisions (refer note 20)
•Recognition of deferred taxes (refer note 22)
•Impairment of trade receivables (refer note 10)
•Estimated useful life and implicit interest rate/incremental borrowing rate used for recognizing Right of Use assets and lease liabilities respectively (refer note 7)

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

Notes to the Standalone Financial Statements

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, 2025 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, 2024	**35**	**130**	**24**	**2**	**26**	**42**	**259**
Additions	-	21	16	-	-	4	41
Disposal/adjustment	-	(15)	-	-	-	-	(15)
Gross carrying amount as at March 31, 2025	**35**	**136**	**40**	**2**	**26**	**46**	**285**
Accumulated depreciation and impairment:							
Balance as at April 1, 2024	**13**	**101**	**20**	**1**	**23**	**28**	**186**
Depreciation	6	16	2	-	-	4	28
Accumulated depreciation on disposal/adjustment	-	(14)	-	-	-	-	(14)
Impairment	-	-	-	-	-	-	-
Balance as at March 31, 2025	**19**	**103**	**22**	**1**	**23**	**32**	**200**
Net carrying amount as at March 31, 2025	**16**	**33**	**18**	**1**	**3**	**14**	**85**

(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, 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**

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, 2025 are as follows:

Particulars	IU License fees	Other software	Total
Cost:			
Gross carrying amount as at April 1, 2024	**50**	**52**	**102**
Additions	-	8	8
Disposal/adjustment	-	-	-
Gross carrying amount as at March 31, 2025	**50**	**60**	**110**
Accumulated amortisation:			
Balance as at April 1, 2024	**15**	**38**	**53**
Amortisation	10	8	18
Accumulated amortisation on disposal/adjustment	-	-	-
Balance as at March 31, 2025	**25**	**46**	**71**
Net carrying amount as at March 31, 2025	**25**	**14**	**39**

(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, 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**

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.

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

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, 2025 are as follows :

Particulars	Category of RoU assets		Total
	Servers/ virtual machines	Building	
Gross carrying amount as at April 1, 2024	-	**847**	**847**
Additions	-	-	-
Disposal/adjustment	-	-	-
Gross carrying amount as at March 31, 2025	-	**847**	**847**
Accumulated depreciation:			
Balance as at April 1, 2024	-	**269**	**269**
Depreciation	-	148	148
Accumulated depreciation on disposal/adjustment	-	-	-
Balance as at March 31, 2025	-	**417**	**417**
Net carrying amount as at March 31, 2025	-	**430**	**430**

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 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, 2025 and March 31, 2024 is as follows :

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current lease liabilities	341	494
Current lease liabilities	153	137
Total lease liabilities	**494**	**631**

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

The movement in lease liabilities during the year ended March 31, 2025 and year ended March 31, 2024 is as follows:

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Balance at the beginning	**631**	**719**
Additions	-	123
Finance cost accrued during the period	43	43
Payment of lease liabilities	(180)	(254)
Balance at the end	**494**	**631**

Maturity analysis of lease liability as at March 31, 2025 and March 31, 2024 is as follows:

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Future lease payments (undiscounted)		
2024-25	-	179
2025-26	185	185
2026-27	193	193
2027-28	157	157
2028-29	17	17
Total future lease payments (undiscounted)	**552**	**731**
Total future finance costs	(58)	(100)
Lease liability	**494**	**631**
Current lease liabilities	153	137
Non-current lease liabilities	341	494

Expenses relating to short term leases or low value leases for the year ended March 31, 2025 and year ended March 31, 2024 is as follows:

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Expenses relating to short term leases	585	88
Expenses relating to leases of low-value	1	1
Total	**586**	**89**

Note: During the year ended March 31, 2024, the original lease term of servers on lease has ended. The arrangement has been continuously extended for a term less than 12 months for the year ended March 31, 2024 and March 31, 2025. The expenses relating to the servers has been accounted as a short-term lease.

Net debt reconciliation of the Company as at March 31, 2025 and March 31, 2024 is as below:

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Cash and cash equivalents	3,416	2,738
Liquid investments+	1,710	777
Lease liabilities	(494)	(631)
Net debt	**4,632**	**2,884**

+ 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, 2024	**2,738**	**777**	**(631)**	**2,884**
Cash flows	678	808	137	1,623
Interest expense	-	-	(43)	(43)
Interest paid	-	-	43	43
Gain on redemption and fair value adjustment	-	125	-	125
Net debt as at March 31, 2025	**3,416**	**1,710**	**(494)**	**4,632**
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**

National E-Governance Services Limited
CIN: U72900MH2016GOI282855
Notes to the standalone Ind AS financial statements for the year ended March 31, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

8 Intangible assets under development

Intangible assets under development as at March 31, 2025 and March 31, 2024 is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
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 March 31, 2025.

The intangible assets under development ageing schedule for the the year ended March 31, 2025 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, 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	-	-	-	-	-

*represents value less than 0.5 lakhs, Rs. 0.31 lakhs and Rs. 0.31 lakhs for year ended March 31, 2025 and year ended March 31, 2024.

9 Investments

Particulars	As at March 31, 2025	As at March 31, 2024
Non current investments:		
Investments in subsidiaries		
Subsidiaries - wholly owned (Unquoted)		
NESL Asset Data Limited - 1,80,00,000 shares (PY: 1,50,00,000 shares) of Rs. 10/- each fully paid up*	1,800	1,500
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	**1,900**	**1,600**
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	511
Investment in IN3120230138 7.44% Tamilnadu SGS 2033	509	509
Investment in IN2220230113 7.46% Maharashtra SGS 2033	733	733
Investment in IN1920230027 7.69% Karnataka SGS 2033	465	465
Investment in IN1620240045 7.43% Haryana SGS 2034	1,024	-
Investment in IN1620240250 7.15% Haryana SGS 2038	509	-
Investment in IN1920240224 7.11% Karnataka SGS 2035	506	-
Investment in IN3320240044 7.08% Uttar Pradesh SGS 2038	1,017	-
Investment in IN3320240051 7.16% Uttar Pradesh SGS 2039	510	-
Total investments in government securities	**8,635**	**5,069**
Total non-current investments	**10,535**	**6,669**
Current investments:		
Other investments:		
Investments in mutual funds (quoted) measured at fair value through Profit and Loss (2)		
Investment in LD72SG SBI Liquid Fund Direct Growth 22,682.9100 units (PY: 1,323.1670 units) at market price (NAV).	920	50
Investment in LD48IG SBI Short Term Debt Fund-Direct Plan Growth 23,70,181.3680 units (PY: 23,70,181.3680 units) at market price (NAV)	790	727
Total current investments	**1,710**	**777**
Total investments	**12,245**	**7,446**
Aggregate amount of quoted investment	10,345	5,846
Aggregate market value of quoted investment	10,446	5,796
Aggregate amount of unquoted investments	1,900	1,600
Aggregate amount of impairment in value of investments.	-	-

* The Company has subsequently invested Rs.400 Lakhs in it's subsidiary NESL Asset Data Limited in the FY 2025-26.

Note:

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

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

10 Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured		
Receivable from related parties	29	14
Receivable from others	7,291	5,687
Trade Receivables - credit impaired		
Receivable from others	67	7
Sub-total	**7,387**	**5,708**
Impairment Allowance (Allowance for bad and doubtful debts)		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured		
Receivable from others	278	186
Trade Receivables - credit impaired		
Receivable from others	67	7
Sub-total	**345**	**193**
Total Trade receivables	**7,042**	**5,515**

Ageing of Trade receivables outstanding as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2years	2-3years	More than 3 years	Total
Undisputed Trade receivables - considered good	-	3,078	3,364	594	255	29		**7,320**
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	1	61	5	-	**67**
Total trade receivables due	-	**3,078**	**3,364**	**595**	**316**	**34**	-	**7,387**
Undisputed Trade receivables - considered good	-	12	108	22	107	29	-	**278**
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	1	61	5	-	**67**
Total allowance for credit loss	-	**12**	**108**	**23**	**168**	**34**	-	**345**
Total trade receivables	-	**3,066**	**3,256**	**572**	**148**	-	-	**7,042**

Ageing of Trade receivables outstanding as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2years	2-3years	More than 3 years	Total
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**
Undisputed Trade receivables - considered good	-	10	83	17	75	1	-	**186**
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	5	2	-	**7**
Total allowance for credit loss	-	**10**	**83**	**17**	**80**	**3**	-	**193**
Total trade receivables	-	**2,674**	**2,293**	**461**	**87**	-	-	**5,515**

11 Other financial assets:

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current other financial assets		
Security deposits	62	58
Bank deposits with maturity more than 12 months from balance sheet date	5,592	4,551
Income accrued but not due on deposits with maturity more than 12 months from balance sheet date	269	8
Total non-current other financial assets	**5,923**	**4,617**
Current other financial assets		
Recoverable from related parties:		
Recoverable from NESL Asset Data Ltd.	2	-*
Security deposits	75	2
Income accrued but not due on Government securities	1	-
Income accrued but not due on deposits with maturity more than 12 months from balance sheet date	-	11
Total current other financial assets	**78**	**13**
Total other financial assets:	**6,001**	**4,630**

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.

*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, 2025	As at March 31, 2024
Balance with banks (of the nature of cash and cash equivalents)		
In current account	543	535
In deposit account with original maturity within 3 months from the date of deposit	2,871	2,195
Income accrued but not due on deposits with original maturity within 3 months from the date of deposit	2	8
Cash on hand	-	-
Total Cash and cash equivalents	**3,416**	**2,738**

13 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
In deposit account with maturity within 12 months of balance sheet date*	9,143	10,488
Income accrued but not due on deposits with maturity within 12 months of balance sheet date	216	365
Total Bank balances other than cash & cash equivalents	**9,359**	**10,853**

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

* This includes an amount of Rs 11 lakhs in fixed deposit, offered as security/lien for the purpose of performance bank guarantee (refer note 38).

14 Other assets

Particulars	As at March 31, 2025	As at March 31, 2024
Other non-current assets		
Prepaid expenses	16	12
Total other non-current assets	**16**	**12**
Other current assets		
GST input credit/TDS	20	56
Prepaid expenses	93	87
Other advances	16	7
Total other current assets	**129**	**150**
Total other assets	**145**	**162**

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 and contract assets. The application of simplified approach does not require the Company to track changes in credit risk; rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

The Company uses a provision matrix based on age to determine impairment loss allowance on portfolio of its trade receivables and contract assets. 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.

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

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.

a) Fair value measurements

The carrying value and fair value of financial instruments by categories as at the year ended March 31, 2025 and year ended March 31, 2024 are as follows.

Particulars	Note	Carrying value	Fair value	Carrying value	Fair value
		As at March 31, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2024
Financial assets					
Amortised cost					
Investments in government securities	9	8,635	8,736	5,069	5,019
Trade receivables	10	7,042	7,042	5,515	5,515
Cash and cash equivalents	12	3,416	3,416	2,738	2,738
Bank balances other than cash and cash equivalents	13	9,359	9,359	10,853	10,853
Other financial assets	11	6,001	6,001	4,630	4,630
Fair value through profit and loss (FVTPL)					
Investments in mutual funds (quoted)	9	1,710	1,710	777	777
Total financial assets		**36,163**	**36,264**	**29,582**	**29,532**

Particulars	Note	Carrying value	Fair value	Carrying value	Fair value
		As at March 31, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2024
Financial liabilities					
Amortised cost					
Lease liability	7	494	494	631	631
Trade payables	19	835	835	451	451
Other financial liabilities	18	487	487	523	523
Total financial liabilities		**1,816**	**1,816**	**1,605**	**1,605**

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

Financial assets and liability measured at fair value - recurring fair value measurement as at the year ended March 31, 2025

Particulars	Fair value measurement using			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value:				
Investments in mutual funds (quoted)	1,710	1,710	-	-
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, 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-	-	-	-	-

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. 7,387 lakhs and Rs. 5,708 lakhs as at March 31, 2025 and March 31, 2024 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	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
Billing from top five customers	6,235	5,218	43%	42%
Billing from top ten customers	8,000	6,711	55%	55%

The allowance for lifetime expected credit loss on customer balances recognised for the year ended March 31, 2025 and March 31, 2024 is Rs. 345 lakhs and Rs. 193 lakhs, respectively.

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

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning	193	68
Impairment loss recognised	159	195
Amounts written off	(7)	(70)
Balance at the end	**345**	**193**

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, 2025, the Company has a working capital of Rs. 13,723 lakhs, cash and cash equivalents and current bank deposit of Rs. 12,775 lakhs and current investments of Rs. 1,710 lakhs. As at March 31, 2024, the Company had a working capital of Rs. 13,257 lakhs, cash and cash equivalents and current bank deposits of Rs.13,591 lakhs and current investments of Rs. 777 lakhs. Accordingly no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2025:

Particulars	Less than 1 year	1 to 2 year	More than 2 year	Total
Trade payables	835	-	-	835
Other financial liabilities	487	-	-	487
Lease liabilities on an undiscounted basis (refer note 7)	185	193	174	552

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

16 **Equity share capital**

Particulars	As at March 31, 2025	As at March 31, 2024
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, 2025		As at March 31, 2024	
	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, 2025		As at March 31, 2024	
	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, 2025		As at March 31, 2024	
	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, 2025 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, 2025.

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 and the cash outflow is as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Final dividend per share for year ended March 31, 2024 (INR rupees)	1	-
Cash outflow (INR lakhs)	750	-

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, 2025. For the proposed divided 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.

National E-Governance Services Limited
CIN: U72900MH2016GOI282855
Notes to the standalone Ind AS financial statements for the year ended March 31, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

17 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Retained earnings:		
Opening balance	14,064	9,263
Add: Profit/(Loss) for the year	5,450	4,807
Add: Other comprehensive income not reclassifiable to profit and loss		
Re-measurements of defined benefit plan actuarial gains/ (losses), net of tax	(12)	(6)
Final dividend paid (2023-24 @ Rs 1 per share)	(750)	-
Total other equity	**18,752**	**14,064**

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, 2025	As at March 31, 2024
Current other financial liabilities		
Advances returnable	458	498
Auditor's remuneration payable	5	3
Reimbursements payable	8	8
Security deposits received	16	14
Total current other financial liabilities	**487**	**523**
Total other financial liabilities	**487**	**523**

19 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro and small enterprises	87	3
Total outstanding dues of creditors other than micro and small enterprises		
Related Parties	54	55
Others		
Creditors for supplies & services	694	393
Total Trade payables	**835**	**451**

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, 2025	As at March 31, 2024
Amount remaining unpaid		
Principal amount due to micro and small enterprises	87	3
Interest due on above	-	-*
Total amount remaining unpaid	**87**	**3**
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, 2025

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2years	2-3years	More than 3 years	Total
Undisputed							
(i) MSME	12	75	-	-	-	-	87
(ii) Others	355	129	251	4	9	-	748
Disputed							
(iii) MSME	-	-	-	-	-	-	-
(iv) Others	-	-	-	-	-	-	-
Total trade payables	**367**	**204**	**251**	**4**	**9**	**-**	**835**

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

Trade payables outstanding ageing as at March 31, 2024

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

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, 2025	As at March 31, 2024
Non-current provisions		
Employee benefit obligations:		
Provision for gratuity	108	95
Provision for leave encashment and compensated absence	184	120
Provision for deferred Income Plan	106	-
Total non-current provisions	**398**	**215**
Current provisions		
Employee benefit obligations:		
Provision for leave encashment and compensated absence	21	14
Provision for deferred income plan	61	-
Provision for variable pay	93	-
Provision for bonus	112	86
Total current provisions	**287**	**100**
Total provisions	**685**	**315**

Note: For details on Provision for gratuity and Provision for leave encashment and compensated absence refer note 29.

Movement of provision as at for the year ended March 31, 2025

Particulars	Balance as at March 31, 2024	Additions	Allowance for financial effect	Applications/ Reversals	Balance as at March 31, 2025
Provision for bonus	86	112	-	(86)	112
Provision for deferred income plan	-	167	-	-	167
Provision for variable pay	-	93	-	-	93
Total provisions	**86**	**372**	-	**(86)**	**372**

Movement of provision as at for the year ended 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**

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

21 Other liabilities:

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current other liabilities		
Deferred revenue+	3,966	3,126
Total non-current other liabilities	**3,966**	**3,126**
Other current liabilities		
Statutory liabilities	541	514
Deferred revenue+	6,333	5,548
Employee benefits payable	9	1
Total current other liabilities	**6,883**	**6,063**
Total other liabilities	**10,849**	**9,189**

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

The revenue recognition pattern of contract liabilities - deferred revenue as at March 31, 2025 is as below:

Particulars	Within 1 year	1 year to 2 year	2 years and above	Total
Deferred revenue - current	6,333	-	-	6,333
Deferred revenue - non current	-	1,605	2,361	3,966
Total deferred revenue	**6,333**	**1,605**	**2,361**	**10,299**

The revenue recognition pattern of contract liabilities - deferred revenue as at 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, 2025	As at March 31, 2024
Current taxes	1,929	1,652
Adjustments of tax relating to previous year	-	-
Deferred tax expense/(income)	(54)	(39)
Income tax expense	**1,875**	**1,613**

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

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, 2025	As at March 31, 2024
Profit before income taxes	**7,325**	**6,420**
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	**1,844**	**1,616**
Effect of non-deductible expenses	31	(3)
Income tax expense	**1,875**	**1,613**

The details of income tax assets and income tax liabilities as at March 31, 2025 and March 31, 2024 are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Current income tax assets (net)	634	485
Net current income tax assets / (liabilities) at the end	**634**	**485**

The gross movement in the current income tax assets / (liabilities) for the year ended March 31, 2025 year ended March 31, 2024 is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Net current income tax assets / (liabilities) at the beginning	**485**	**4**
Income tax paid	2,078	2,133
Current income tax expense	(1,929)	(1,652)
Net current income tax assets / (liabilities) at the end	**634**	**485**

The movement in gross deferred income tax assets and liabilities for the year ended March 31, 2025:

Particulars	Carrying value as at March 31, 2024	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, 2025
Deferred income tax assets / (liabilities):					
Property, plant and equipment	34	(11)	-	-	23
Provision for gratuity	24	(5)	8	-	27
Provision for leave encashment and compensated absences	34	18	-	-	52
Provision for Deferred Income Plan-Employee benefit	-	42			42
Right of use assets	(146)	37	-	-	(109)
Lease liabilities	158	(34)	-	-	124
Trade receivables - loss allowance	49	38	-	-	87
Mutual funds - fair value adjustments under Ind AS	(9)	(31)	-	-	(40)
Total deferred income tax assets / (liabilities)	**144**	**54**	**8**	**-**	**206**

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**

National E-Governance Services Limited
CIN: U72900MH2016GOI282855
Notes to the standalone Ind AS financial statements for the year ended March 31, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

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 AS115. 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. Incase of bundled service obligations which are not separable, a single measurement method is adopted.

(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 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.

a) Financial information of Companies and Other Commercial entities are recognised over a tenure of 1 year.

b) 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.

c) 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 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.

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.

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.

Income from other operational revenue

Other operational revenue consists of software development services, integration services, software maintenance service and transaction revenue from the digital balance confirmation solution. Software development revenue is recognised when the control of the software/customisation is transferred to the customer and user acceptance signoff is received from the customer. Integration services revenue is recognised when the integration is complete and user acceptance signoff is received from the customer. Software maintenance services revenue is recognised over the tenure of such services, as and when performance obligation are fulfilled. Transaction revenue is recognised at a point in time when such a service is complete.

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 liabilities.

Revenue from operations for the year ended March 31, 2025 and year ended March 31, 2024 is as follows:

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Revenue from contract with customers:		
IU Services		
Financial creditors – IU	11,048	9,519
Financial creditors – DDE	1,667	970
Operational creditors	11	7
One time integration services	-	2
Fee from PDA services	16	17
Other operational revenue	132	-
Total revenue from operations	**12,874**	**10,515**

Reconciliation of contract price to revenue recognised for the year ended March 31, 2025 is as below:

Particulars	**Financial creditors IU**	**Financial creditors - DDE**	**IU services others**	**PDA services and other operational revenue**	**Total**
Total billing for the period	12,198	2,145	11	145	14,499
(+) Opening unearned revenue	8,209	444	-	21	8,674
(-) Closing unearned revenue	(9,359)	(922)	-	(18)	(10,299)
Revenue recognised for the period	**11,048**	**1,667**	**11**	**148**	**12,874**

For the year ended March 31, 2025 the company recognised Rs. 5,548 lakhs revenue from opening deferred revenue.

Reconciliation of contract price to revenue recognised for the 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.

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, 2025 and year ended March 31, 2024 is as follows:

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Interest on fixed deposits	1,079	888
Interest on security deposits	4	3
Interest on government securities	477	309
Gain on redemption of mutual funds- current investments	-	31
Gain/(loss) on restatement of mutual funds at fair value	125	5
Bad debts written off - recovered	3	-
Miscellaneous income	11	1
Total other income	**1,699**	**1,237**

Expenses

25 Cost of services

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
IU annual fee	1,052	812
IU technology expenses		
Technology resource expenses (contract)	212	237
IT data centre expenses*	585	226
Datawarehouse expenses	20	83
Other IT expenses	656	442
PDA and VDR expenses	-	12
IU operational expenses	408	231
Total cost of services	**2,933**	**2,043**

*This consists of expenses relating to short-term lease amounting to Rs. 585 lakhs for the year ended March 31, 2025 and Rs. 88 lakhs for the year ended March 31, 2024 (refer note 7).

26 Finance costs

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Interest expense on lease liabilities	43	43
Total finance costs	**43**	**43**

27 Depreciation and amortization expense

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on plant, property and equipment	4	28	31
Amortisation on intangible assets	5	18	16
Depreciation on right of use assets	7	148	191
Total depreciation and amortization expense		**194**	**238**

28 Other expenses

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Rent, Repairs and maintenance +	10	11
Office premises maintenance	49	45
Rates and taxes	10	14
Professional charges	368	343
Legal fees	44	65
Communication expenses	29	30
Advertisement and business promotion	53	58
Auditors' remuneration		
- Statutory audit	5	4
- Tax audit	2	-
- Out of pocket expenses [1]	-	-
Travelling, boarding and conveyance	55	64
Insurance expenses - operational	24	15
Directors' sitting fees	79	39
(Gain)/loss on lease modification	-	1
Assets written off [2]	-	-
Impairment loss recognised under expected credit loss model	159	195
CSR expenses*	104	84
Other miscellaneous/administrative expenses	36	28
Total other expenses	**1,027**	**996**

+ Rental expenses for the year ended March 31, 2025 consist of printer rental of Rs. 1 lakh and for year ended March 31, 2024 consists of laptop and printer rental of Rs 1 lakh. Long term lease rental on premises is accounted as per IndAS 116-Leases (refer note 7)

Note: Rs. 45 lakhs shown under Other miscellaneous/administrative expenses for the year ended March 31, 2024 has been reclassed to Office premises maintenance.

*Refer note -36 Corporate social responsibility (CSR)

1. Represents value less than 0.5 lakhs, Rs. 0.14 lakhs for year ended March 31, 2025 and Rs. 0.33 lakhs for year ended March 31, 2024

2. Represents value less than 0.5 lakhs, Rs. 0.07 lakhs for year ended March 31, 2025 and Rs. 0.11 lakhs for year ended March 31, 2024

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

29 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.

Other long term employee benefits:

The Company provides deferred income plan for its employees which are in the nature of cash bonus payable beyond twelve months and are treated as other long term employee benefits. The cost of providing the benefits are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The cost incurred towards deferred income plan, 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, 2025 and year ended March 31, 2024 is as below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salary & allowances	2,632	1,690
Contribution to provident fund & superannuation fund	126	101
Gratuity expense	66	55
Leave encashment and compensated leave benefits	111	75
Staff welfare expenses	116	91
Total Employee benefit expenses	**3,051**	**2,012**

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	Year ended March 31, 2025	Year ended March 31, 2024
Present value of unfunded defined benefit obligation	275	200
Fair value of plan assets	167	105
Net defined benefit (asset)/liability recognised in Balance Sheet	**108**	**95**

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

Net defined benefit cost/(income) included in Statement of Profit and Loss for the year end	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Service cost	58	47
Net interest cost	8	8
Total defined benefit cost/(income) included in Statement of Profit and Loss	**66**	**55**

Current / non-current bifurcation	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Current benefit obligation	52	34
Non - current benefit obligation	223	166
(Asset)/liability recognised in the Balance Sheet	**275**	**200**

Actual return on plan assets	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Interest income on plan assets	7	2
Remeasurements on Plan Assets	3	-
Actual return on plan assets	**10**	**2**

Analysis of amounts recognised in other comprehensive (income)/loss at year end	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Amount recognised in OCI, beginning of year	61	53
Remeasurements due to :		
Effect of change in financial assumptions	8	2
Effect of experience adjustments	15	6
Return on plan assets (excluding interest)	(3)	-
Total remeasurements recognised in OCI	**20**	**8**
Amount recognised in OCI, end of year	**81**	**61**

Total defined benefit cost/(income) included in Profit & Loss and Other Comprehensive Income	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Amount recognised in P&L, for the year	66	55
Amount recognised in OCI, for the year	20	8
Total net defined benefit cost/(income) recognised for the year	**86**	**63**

Change in defined benefit obligation during the year	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Defined benefit obligation, beginning of year	200	135
Net current service cost	58	47
Interest cost on DBO	15	10
Actuarial (gains)/losses	23	8
Benefits Paid	(21)	-
Defined benefit obligation, end of year	**275**	**200**

Change in fair value of plan assets during the year	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Fair value of plan assets, beginning of year	105	-
Interest income plan assets	7	2
Actual company contributions	73	103
Actuarial Gains/(Losses)	3	-
Benefits Paid	(21)	-
Fair value of plan assets, end of year	**167**	**105**

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

Reconciliation of Balance Sheet amount	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Balance Sheet (asset)/liability, beginning of year	95	135
Total charge/(credit) recognised in Profit and Loss	66	55
Total remeasurements recognised in OC (Income)/Loss	20	8
Actual employer contribution	(73)	(103)
Balance Sheet (asset)/liability, end of year	**108**	**95**

Financial assumptions used to determine the defined benefit obligation	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Discount rate	6.57%	7.09%
Salary escalation rate	12.00%	12.00%

Financial assumptions used to determine the Profit & Loss charge	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Discount rate	6.57%	7.09%
Salary escalation rate	12.00%	12.00%
Expected return on plan assets	6.57%	7.09%

Demographic assumptions used to determine the defined benefit obligation	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Withdrawal rate	10.00%	10.00%
Mortality rate	IALM (2012-14) Ult	IALM (2012-14) Ult
Retirement age	60 years	60 years

Asset category	**Year ended March 31, 2025**	**Year ended March 31, 2025**	**Year ended March 31, 2025**
	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	**Year ended March 31, 2025**
Year - 2026	54
Year - 2027	21
Year - 2028	23
Year - 2029	23
Year - 2030	24
Year - 2031 to 2035	115

Defined benefit obligation by participant status	**Year ended March 31, 2025**
a. Actives	275
Total defined benefit obligation	**275**

Sensitivity analysis	**Year ended March 31, 2025**
Defined benefit obligation - discount rate + 100 basis points	(15)
Defined benefit obligation - discount rate - 100 basis points	17
Defined benefit obligation - salary escalation rate + 100 basis points	7
Defined benefit obligation - salary escalation rate - 100 basis points	(7)

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	Year ended March 31, 2025	Year ended March 31, 2024
Present value of unfunded defined benefit obligation	205	134
(Asset)/liability recognised in the Balance Sheet	**205**	**134**

Amounts recognised in Statement of Profit and Loss for the year	Year ended March 31, 2025	Year ended March 31, 2024
Service cost	72	47
Net interest cost	12	9
Remeasurements	27	19
Total expense/(income) included in "Employee benefit expenses"	**111**	**75**

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

Change in defined benefit obligation during the year	Year ended March 31, 2025	Year ended March 31, 2024
Defined benefit obligation, beginning of year	134	97
Net current service cost	72	47
Interest cost on dbo	12	9
Actuarial (gains)/losses	27	19
Benefits paid	(40)	(38)
Defined benefit obligation, end of year	**205**	**134**

30 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	Year ended March 31, 2025	Year ended March 31, 2024
Profit attributable to equity shareholders of the company	5,450	4,807
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)	**7.27**	**6.41**

31 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, MD & CEO Mrs. E.P. Nivedita, ED & CRO Mr. Vinod Shenoy M, CFO (till November 14, 2024) Mr. Diwakar Kannan, Interim CFO (from November 15, 2024 to 4 February 2025) Mr. Pradeep Shripad, CFO (from February 5, 2025) Mrs. S. Padmavathy, CS
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, 2025	Year ended March 31, 2024
Transfers under finance arrangements		
Investment in equity shares:		
NESL Asset Data Limited	300	510
Total transfers under finance arrangements	**300**	**510**
Rendering of services		
Netted off against Employee benefit expenses:		
NESL Asset Data Limited	9	7
NESL E-Infrastructure Limited	12	11
Netted off against Other expenses:		
NESL Asset Data Limited	6	6
Total rendering of services	**27**	**24**
Receiving of services		
Cost of services:		
NESL E-Infrastructure Limited	290	264
Other expenses:		
NESL Asset Data Limited	-*	-*
Total receiving of services	**290**	**264**

*represents value less than 0.5 lakhs, Rs. 0.01 lakhs for year ended March 31, 2024 and Rs. 0.02 lakhs for year ended March 31, 2024.

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Settlement of liabilities on behalf of the related party		
NESL Asset Data Limited	2	4
NESL E-Infrastructure Limited	7	-*
Total	**9**	**4**

*represents value less than 0.5 lakhs, Rs. 0.44 lakhs for year ended March 31, 2024

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Settlement of liabilities on behalf by 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

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Contribution to post employment benefit plan		
Nesl Group Employees Gratuity Trust	73	103
Total	**73**	**103**

B. Transactions with KMP's during the year

Remuneration to key management personnel for the year ended March 31, 2025

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	114	4	-	-	118
Mrs. E.P. Nivedita	55	7	-	-	62
Mr. Vinod Shenoy M	56	11	-	-	67
Mr. Diwakar Kannan*	2	-	-	-	2
Mr. Pradeep Shripad	10	-	-	-	10
Mrs. S. Padmavathy	51	4	-	-	55
Total	**288**	**26**	**-**	**-**	**314**

* Remuneration paid to Mr. Diwakar Kannan is for the term of his services as interim CFO.

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**

C. Balances outstanding as at year end

Particulars	Balances outstanding	
	As at March 31, 2025	As at March 31, 2024
Investment in subsidiary		
NESL Asset Data Limited	1,800	1,500
NESL E-Infrastructure Limited	100	100
Total investment in subsidiary	**1,900**	**1,600**
Trade receivables from subsidiaries		
NESL Asset Data Limited	29	14
Total trade receivables from subsidiaries	**29**	**14**
Recoverable from subsidiaries		
NESL Asset Data Limited	2	-*
Total recoverable from subsidiaries	**2**	**-**
*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	54	55
Total trade payable to subsidiaries	**54**	**55**
Remuneration payable		
Mrs. E.P. Nivedita	-	-*
Mr. Diwakar Kannan	2	-
Total remuneration payable	**2**	**-**
*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	167	105
Total post employment benefit plan	**167**	**105**

32 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.

33 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 it 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.

34 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, 2025	As at March 31, 2024
(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, 2025 and for the year ended March 31, 2024.

35 Commitments

Particulars	As at March 31, 2025	As at March 31, 2024
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	39	-
b) Uncalled liability on shares and other investments partly paid;	-	-
c) Other commitments	-	-
Total commitments	**39**	-

36 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, 2025	As at March 31, 2024
Promoting Healthcare	30	24
Promotion of Education	-	-
Environmental causes	74	60
Total expenditure in CSR activities	**104**	**84**
a) Amount required to be spent by the Company during the year	104	84
b) Amount spent during the year:		
(i) Construction/acquisition of Asset	-	-
(ii) On purposes other than (i) above	104	84
Total amount spent/required to be spent during the year	104	84
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.

National E-Governance Services Limited
CIN: U72900MH2016GOI282855
Notes to the standalone Ind AS financial statements for the year ended March 31, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

37 Ratios

The various ratios for the year ended March 31, 2025 and year ended March 31, 2024 are as below:

Particulars	Numerator	Denominator	Year ended March 31, 2025	Year ended March 31, 2024	Variance in %
Current ratio (in times)	Current assets	Current liabilities	2.59	2.82	-8.25%
Debt-Equity Ratio (in times)	Total Debt (representing lease liabilities)	Shareholders Equity	0.02	0.03	-37.27%
Debt Service Coverage ratio (in times)	Earnings available for debt service	Debt Service (representing lease liabilities)	13.70	9.17	49.39%
Return on equity ratio (in %)	Total comprehensive income	Average shareholders Equity	22.75%	25.05%	-2.30%
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	2.28	2.42	-5.60%
Trade payables turnover ratio (in times)	Net credit purchases (2)	Average trade payables	6.76	8.77	-22.87%
Net Capital turnover ratio (in times)	Revenue	Working capital	0.94	0.79	18.75%
Net profit ratio (in %)	Net profit after taxes	Revenue	42.24%	45.65%	-3.41%
Return on Capital employed (in %)	EBIT	Average capital employed	26.55%	29.10%	-2.55%
Return on investment (in %)	Income generated from investments	Time weighted average investments	5.38%	4.88%	0.50%

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 to equity ratio and Debt service coverage ratio: Increase in earnings available for debt service leading to the variance
b) Trade payables turnover ratio: The increase in processing time leading to variance.

38 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 K N Prabhashankar & Co.
Chartered accountants
Firm registration number: 004982S

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

Sd/-
A.Umesh Patwardhan
Partner
Membership No: 222945
Date: 11 July, 2025
Place: Bengaluru

Sd/-
N. S. Vishwanathan
Chairperson
DIN: 09568559

Sd/-
Debajyoti Ray Chaudhuri
Managing Director & CEO
DIN: 09242571

Sd/-
Nivedita E. P.
Executive Director & CRO

Sd/-
Pradeep Shripad
Chief Financial Officer
Date: 11 July, 2025
Place: Bengaluru

Sd/-
Padmavathy S.
Company Secretary
M.No: A37997

K N PRABHASHANKAR & CO.
CHARTERED ACCOUNTANTS
S-2, Narayana, 25, Mission Road, Shama Rao Compound
Bengaluru - 560 027. India
Telefax: +91-80-22237045, +91-80-22241284
e-mail: knp@akpco.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying 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 March 31, 2025, 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 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, as amended ("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, 2025, and its consolidated profit (including other comprehensive loss), Consolidated Changes in Equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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, 2025. 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.

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

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

Emphasis of Matter

We draw attention to Note 1 to the Consolidated Financial Statements, which describes that one of the Subsidiary Company, NESL E Infrastructure Limited has discontinued its operations and will become a dormant entity from the financial year 2025-26. Accordingly, the said Subsidiary Financial statements for the year ended March 31, 2025 has been prepared on a basis other than going concern, as described in the said note.

Our opinion is not modified in respect of this matter.

Information Other than the 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 auditors' 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 consolidated 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 including other 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 read with the Companies (Indian Accounting Standards Rules, 2015), as amended. 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.

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

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 Holding 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 the independent auditors. For the other entities included in the consolidated financial statements, which

K.N. PRABHASHANKAR & CO. ★ BENGALURU ★ CHARTERED ACCOUNTANTS

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 financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' 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 and other financial information in respect of two subsidiaries, whose financial statements reflect total assets of Rs.1,195.69 lakhs as at March 31, 2025, total income of Rs. 191.53 lakhs and net cash flows amounting to Rs. (1.44) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors, whose financial statements, other financial information and auditors' reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms sub-section (3) of the Section 143 of the Act, in so far as its relates to aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion above 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.

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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, as noted in the 'Other Matters' paragraph, we give in the **"Annexure B"** a statement on the matters specified in paragraph 3(xxi) of the Order.

2) As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement on Other Comprehensive Income, the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows dealt with by this report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards Rules, 2015), as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group's Companies is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies over financial reporting 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary companies:
   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 Group.
   iv) The respective management of the Holding Company and its subsidiary companies 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 Holding Company or any of such subsidiary companies 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 Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

(b) No funds have been received by the Holding Company or any of such subsidiary companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries, and

(c) Based on the 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) The Final Dividend proposed in the previous year has been paid by the Holding Company during the current year in compliance with section 123 of the Companies Act, 2013. No dividend has been declared or paid during the year by the subsidiary companies.

vi) Based on our examination, which included test checks and that performed by the respective auditors of the subsidiary companies whose financial statements have been audited under the Act, the Holding Company or its subsidiary companies has used accounting software for maintaining its books of account for the financial year ended March 31, 2025, which has feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all the transactions recorded in the software and we did not come across any instance of the audit trail feature being tampered with, during the course of our audit and the audit trail has been preserved by the Holding Company and its subsidiary companies as per the statutory requirements for record retention.

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**".

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

for K N Prabhashankar & Co.,
Chartered Accountants
Firm Reg. No. 004982S

A.Umesh Patwardhan
Partner
M. No.222945
UDIN:25222945BMLIGO4287

Place: Bengaluru
Date: July 11, 2025

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

List of Entities consolidated as at March 31, 2025

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

for K N Prabhashankar & Co.,
Chartered Accountants
Firm Reg. No. 004982S

A.Umesh Patwardhan
Partner
M. No.222945
UDIN:25222945BMLIGO4287

Place: Bengaluru
Date: July 11, 2025

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' 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, 2025)

According to the information and explanations given to us and books of account and record as examined by us in the normal course of audit, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order, 2020 ("CARO") reports of the companies included in the consolidated financial statements are:

SL No.	Name of the Company	CIN	Holding Company/ Subsidiary Company	Date of Respective Auditor's Report	Paragraph number in the respective CARO Reports
1	National E-Governance Services Limited.	U72900MH2016GO1282855	Holding Company	July 11, 2025	NIL
2	National E-Infrastructure Company Limited.	U72200MH2017GO1302982	Subsidiary Company	June 20, 2025	NIL
3	NESL Asset Data Limited.	U72400MH2017GO1299499	Subsidiary Company	June 04, 2025	NIL

for K N Prabhashankar & Co.,
Chartered Accountants
Firm Reg. No. 004982S

A.Umesh Patwardhan
Partner
M. No.222945
UDIN:25222945BMLIGO4287

Place: Bengaluru
Date: July 11, 2025

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')

In conjunction with our audit of the consolidated financial statements of **National E-Governance Services Limited** (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies (the Holding Company and its subsidiary companies together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, 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 Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of 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 Holding Company's internal financial controls over financial reporting with reference to the consolidated financial statements 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 with reference to the consolidated financial statements 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 with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to the consolidated financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to the consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

K.N. PRABHASHANKAR & CO. ★ BENGALURU ★ CHARTERED ACCOUNTANTS

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting reference to the consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to Consolidated Financial Statements

A Company's internal financial controls over financial reporting with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting with reference to the consolidated financial statements 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 with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to the consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections if any evaluation of the internal financial controls over financial reporting with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to the consolidated financial statements 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 Group which are incorporated in India, have, in all material aspects, adequate internal financial controls over financial reporting with reference to the consolidated financial statements and such controls were operating effectively as at March 31, 2025, 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.

K.N. PRABHASHANKAR & CO. * BENGALURU * 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 with reference to the consolidated financial statements 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 K N Prabhashankar & Co.,
Chartered Accountants
Firm Reg. No. 004982S

A.Umesh Patwardhan
Partner
M. No.222945
UDIN:25222945BMLIGO4287

Place: Bengaluru
Date: July 11, 2025

"ANNEXURE D" TO THE INDEPENDENT AUDITORS' REPORT

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

Sl. No.	Directions	Compliance
1.	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	As provided in Note 30, the Group provides for gratuity which is a defined benefit post-retirement plan. The Company gets an actuarial valuation done for its gratuity liability using projected unit credit method as per the requirement of IndAS 19. The Holding Company and its subsidiary NESL Asset Data Limited has formed a Trust, and the contributions made to the trust are invested in a scheme with the Life Insurance Corporation of India. The fair value of the investment is taken as per taken on the basis of closing fund balance given by the Life Insurance Corporation of India. This is in compliance with the applicable regulations and there are no material deviations or misstatements. Apart from the above, there are no other investments made by the Holding Company or its Subsidiary for any post-retirement benefits. In respect of subsidiary, NESL E-Infrastructure Limited, the Company has not made any investment for any post-retirement benefits. Hence, the reporting under this direction is not applicable.
2.	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.	We have gone through the Standalone audit reports of the Holding and Subsidiary Companies: 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 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.

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

		In respect of the subsidiary company NESL E-Infrastructure Company Limited (NeIL), where statutory auditor has reported that the Company uses Tally Software 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. In respect of the subsidiary company NESL Asset Data Limited (NADL), where statutory auditor has reported that the Company has system in place, i.e: Tally Software to process all the accounting transactions through IT System. 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.
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 received from Central/State Government or its Central/State Government or its Agencies by the Holding Company and its Subsidiary Companies.
4.	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	The Holding Company has identified key risk areas and has a risk management policy duly approved by the Board. The Risk management Policy has been formulated considering global best practices with reference to ISO 31000:2018. Information Security Management System (ISMS) of NeSL is certified by M/s Intertek Certification Limited, a UKAS accredited body under schedule of accreditation no. 014. for conforming to the requirements of ISO/IEC 27001:2022 standards. The Information Security risk is managed through Information Security Management System (ISMS) as per ISO 27001:2022 standard. Data asset valuation, data classification and handling are done through ISMS policies and procedures. NeSL being an Information Utility (IU) shall hold the information as a custodian (as per IU Reg 28(2)).

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

		An IU is not the owner of data held by it. The data is not forming an asset of the IU and hence not insurable as an asset of IU. Accordingly, the Data submitted to the IU is not valued. However, the NeSL as IU has taken sufficient insurance to indemnify the data owners for any loss or inconvenience caused to them, for impairment of the data submitted by them to IU. In respect of subsidiary, NESL Asset Data Limited (NADL), as per the information and explanations given to us by the Company Management, key risk areas have been identified, and the company has a risk management policy. The risk management policy has been formulated considering global best practices with reference to risk management guidelines in Master Direction - Non-Banking Financial Company - Account Aggregator (Reserve Bank) Directions, 2016 (Master direction) and amendments there on. The Company has not identified any data assets as it does not store customer data as per the Master direction. However, NADL audit has been completed on 4th June 2025 and the auditor has not incorporated the new directions from CAG (Mail direction dated 3rd July 2025) in the audit report of the subsidiary. In respect of subsidiary, NESL E-Infrastructure Limited (NEIL), as per the information and explanations given to us by the Company Management, the Company has decided to discontinue its operations and will become a dormant entity from the financial year 2025-26, key risk areas have not been identified and the company does not have a risk management policy. However, NEIL audit has been completed on 20th June 2025 and the auditor has not incorporated new direction from CAG (Mail direction dated 3rd July 2025) in the audit report of the subsidiary.
5.	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and	The Holding Company is an unlisted entity and the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI,

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

	regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	Department of Investment and Public Asset Management, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India are not applicable to the Holding Company. The Holding Company has complied with the regulations of Ministry of Corporate Affairs. In respect of subsidiary, NESL Asset Data Limited, as per the information and explanations given to us by the Company Management, the Company is an unlisted entity and the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Department of Public Enterprises, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India are not applicable to the company. The company has complied with the regulations of Ministry of Corporate Affairs and Reserve Bank of India. However, NADL audit has been completed on 4th June 2025 and the auditor has not incorporated new direction from CAG (Mail direction dated 3rd July 2025) in the audit report of the subsidiary. In respect of subsidiary, NESL E-Infrastructure Limited, as per the information and explanations given to us by the Company Management, the Company is an unlisted entity and the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India are not applicable to the company. The company has complied with the regulations of

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

		Ministry of Corporate Affairs. However, NEIL audit has been completed on 20th June 2025 and the auditor has not incorporated new direction from CAG (Mail direction dated 3rd July 2025) in the audit report of the subsidiary.

for K N Prabhashankar & Co.,
Chartered Accountants
Firm Reg. No. 004982S

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

A.Umesh Patwardhan
Partner
M. No.222945
UDIN:25222945BMLIGO4287

Place: Bengaluru
Date: July 11, 2025

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 2025

The preparation of Consolidated financial statements of National E-Governance Services Limited for the year ended 31 March 2025 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 Audit Report dated 11 July 2025.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the Consolidated financial statements of National E-Governance Services Limited for the year ended 31 March 2025 under section 143(6)(a) read with Section 129(4) of the act.

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

Sd/-
(Vijay Nanalal Kothari)
Director General of Audit (Shipping), Mumbai

Place: Mumbai
Date: 26.08.2025

National E-Governance Services Limited
CIN: U72900MH2016GOI282855
Consolidated Balance Sheet as at March 31, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	93	79
Right-of-use assets	8	430	578
Other intangible assets	6	130	155
Intangible assets under development	9	10	5
Financial assets			
Investments	10	8,635	5,069
Other financial assets	12	5,926	4,911
Deferred tax assets (net)	23	528	372
Other non-current assets	15	16	13
Total non-current assets		**15,768**	**11,182**
Current assets			
Financial assets			
Investments	10	1,750	814
Trade receivables	11	7,067	5,556
Cash and cash equivalents	13	3,519	2,844
Bank balances other than cash and cash equivalents	14	9,697	11,040
Other financial assets	12	77	18
Current tax assets (net)	23	674	523
Other current assets	15	261	250
Total current assets		**23,045**	**21,045**
Total assets		**38,813**	**32,227**
Equity And Liabilities			
Equity			
Equity share capital	17	7,500	7,500
Other equity	18	17,820	13,428
Total equity		**25,320**	**20,928**
Liabilities			
Non current liabilities			
Financial liabilities			
Lease liabilities	8	341	494
Provisions	19	427	239
Other non-current liabilities	22	3,966	3,126
Total non-current liabilities		**4,734**	**3,859**
Current liabilities			
Financial liabilities			
Lease liabilities	8	153	137
Trade payables			
a) Total outstanding dues of micro and small enterprises	20	87	18
b) Total outstanding dues of creditors other than micro and small enterprises	20	832	556
Other financial liabilities	21	501	534
Other current liabilities	22	6,896	6,094
Provisions	19	290	101
Total current liabilities		**8,759**	**7,440**
Total liabilities		**13,493**	**11,299**
Total equity and liabilities		**38,813**	**32,227**

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 K N Prabhashankar & Co.
Chartered accountants
Firm registration number: 004982S

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

Sd/-
A.Umesh Patwardhan
Partner
Membership No: 222945
Date: 11 July, 2025
Place: Bengaluru

Sd/-
N. S. Vishwanathan
Chairperson
DIN: 09568559

Sd/-
Debajyoti Ray Chaudhuri
Managing Director & CEO
DIN: 09242571

Sd/-
Nivedita E. P.
Executive Director & CRO

Sd/-
Pradeep Shripad
Chief Financial Officer
Date: 11 July, 2025
Place: Bengaluru

Sd/-
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, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

Particulars	**Note**	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Revenue from operations	24	13,000	10,632
Other income	25	1,733	1,269
Total income		**14,733**	**11,901**
Expenses			
Cost of services	26	3,118	2,198
Employee benefit expenses	30	3,301	2,218
Finance costs	27	43	43
Depreciation and amortization expense	28	241	292
Other expenses	29	1,091	1,055
Total expenses		**7,794**	**5,806**
Profit before tax		**6,939**	**6,095**
Tax expense			
Current tax	23	(1,929)	(1,652)
Deferred tax	23	148	117
Total tax expense		**(1,781)**	**(1,535)**
Profit for the year		**5,158**	**4,560**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurements of defined benefit plan actuarial losses		(18)	(9)
Income tax relating to these items		8	2
Total other comprehensive income/ (net of tax)		**(10)**	**(7)**
Total comprehensive income for the year		**5,148**	**4,553**
Earnings per equity share attributable to owners of the parent			
Basic earnings per share (amount in ₹ per share)	31	6.88	6.08
Diluted earnings per share (amount in ₹ per share)	31	6.88	6.08

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 K N Prabhashankar & Co.
Chartered accountants
Firm registration number: 004982S

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

Sd/-
A.Umesh Patwardhan
Partner
Membership No: 222945
Date: 11 July, 2025
Place: Bengaluru

Sd/-
N. S. Vishwanathan
Chairperson
DIN: 09568559

Sd/-
Debajyoti Ray Chaudhuri
Managing Director & CEO
DIN: 09242571

Sd/-
Nivedita E. P.
Executive Director & CRO

Sd/-
Pradeep Shripad
Chief Financial Officer
Date: 11 July, 2025
Place: Bengaluru

Sd/-
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, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

a) Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	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, 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**
Balance as at April 1, 2024	**13,428**	**13,428**
Changes in accounting policy or prior period errors	-	-
Restated balance at the April 1, 2024	**13,428**	**13,428**
Profit for the year	5,158	5,158
Other comprehensive income not reclassifiable to profit and loss	(10)	(10)
Dividends:		
Final dividend (2023-24 @ Rs 1 per share)	(750)	(750)
Share issue expenses net of taxes	(6)	(6)
Balance as at March 31, 2025	**17,820**	**17,820**

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 K N Prabhashankar & Co.
Chartered accountants
Firm registration number: 004982S

Sd/-
A.Umesh Patwardhan
Partner
Membership No: 222945
Date: 11 July, 2025
Place: Bengaluru

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

Sd/-
N. S. Vishwanathan
Chairperson
DIN: 09568559

Sd/-
Debajyoti Ray Chaudhuri
Managing Director & CEO
DIN: 09242571

Sd/-
Nivedita E. P.
Executive Director & CRO

Sd/-
Pradeep Shripad
Chief Financial Officer
Date: 11 July, 2025
Place: Bengaluru

Sd/-
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, 2025
(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, 2025	Year ended March 31, 2024
Cash Flow from Operating Activities			
Profit for the year		6,939	6,095
Adjustment for			
Depreciation and amortization expense		241	292
Gain on redemption of mutual funds		-	(35)
(Gain)/loss on remeasurement of mutual funds at fair value		(128)	(5)
Interest on fixed deposits		(1,108)	(914)
Interest on government securities		(477)	(309)
Finance costs		43	43
Assets written off*		-	-
Loss on sale of assets		-*	-
(Gain)/loss on lease modification		-	1
Change in operating assets and liabilities			
Increase/(decrease) in trade payables		345	236
Increase/(decrease) in other financial liabilities		(33)	211
Increase/(decrease) in other liabilities		1,642	1,906
Increase/(decrease) in provisions		359	10
(Increase)/decrease in trade receivables		(1,511)	(865)
(Increase)/decrease in other financial assets		(78)	(4)
(Increase)/decrease in other assets		(14)	(53)
Cash generated from operations		**6,220**	**6,609**
Income Taxes paid		(2,080)	(2,153)
Net cash inflow from operating activities		**4,140**	**4,456**
Cash flow from investing activities			
Payments for property plant and equipment		(45)	(25)
Payment for intangible assets and intangible assets under progress		(43)	(19)
Proceeds from sale of property, plant and equipment		1	-
Investment in fixed deposits		(9,166)	(10,352)
Proceeds from redemption/maturity of fixed deposits		9,614	9,182
Interest received on investments		1,007	835
Payment to acquire liquid mutual funds		(808)	(780)
Proceeds from redemption of mutual funds		-	380
Investment in government securities		(3,499)	(2,182)
Interest received on government securities		410	273
Net cash outflow from investing activities		**(2,529)**	**(2,688)**
Cash flow from financing activities			
Payment of principal element of lease liabilities		(136)	(237)
Payment of interest on lease liabilities		(44)	(45)
Payment of interim dividend		(750)	-
Share issue expenses		(6)	-
Net cash outflow from financing activities		**(936)**	**(282)**
Net increase in cash or cash equivalents		675	1,486
Cash and cash equivalent at the beginning of the year		2,844	1,358
Cash and cash equivalent at the end of the year		**3,519**	**2,844**
Components of cash and cash equivalents			
Balances with banks			
In current account	13	638	544
In deposit account with original maturity within 3 months from the date of deposit	13	2,879	2,292
Income accrued but not due on deposits with original maturity within 3 months from the date of deposit	13	2	8
Cash on hand	13	-	-
Total cash and cash equivalents		**3,519**	**2,844**

*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 K N Prabhashankar & Co.
Chartered accountants
Firm registration number: 004982S

Sd/-
A.Umesh Patwardhan
Partner
Membership No: 222945
Date: 11 July, 2025
Place: Bengaluru

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

Sd/-
N. S. Vishwanathan
Chairperson
DIN: 09568559

Sd/-
Debajyoti Ray Chaudhuri
Managing Director & CEO
DIN: 09242571

Sd/-
Nivedita E. P.
Executive Director & CRO

Sd/-
Pradeep Shripad
Chief Financial Officer
Date: 11 July, 2025
Place: Bengaluru

Sd/-
Padmavathy S.
Company Secretary
M.No: A37997

National E-Governance Services Limited
CIN: U72900MH2016GOI282855
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

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, 2025 were approved by the Board of Directors and authorized for issue on July 11, 2025.

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 uptil March 31, 2025.

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.

NESL E Infrastructure Limited has decided to discontinue its operations and will become a dormant entity from the financial year 2025–26. Accordingly, the financial statements have been prepared on a discontinued operations basis. As a result, the carrying value of intangible assets amounting to Rs. 8 thousand has been written off. Property, Plant, and Equipment (PPE) have been measured at their realizable value. Deferred tax assets amounting to Rs. 345 thousand have been reversed. All other assets have been considered on a recoverable basis, and liabilities have been recorded at their book value in the financial statements.

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.
• Defined benefit plans - plan assets measured at fair value

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 (PY) 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 Basis of consolidation

The consolidated financials include financials 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 30)
- 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)

(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, 2025 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, 2024	**35**	**145**	**25**	**2**	**26**	**43**	**276**
Additions	-	25	16	-	-	4	45
Disposal/adjustment	-	(16)	-	-	-	-	(16)
Gross carrying amount as at March 31, 2025	**35**	**154**	**41**	**2**	**26**	**47**	**305**
Accumulated depreciation:							
Balance as at April 1, 2024	**13**	**112**	**20**	**1**	**23**	**28**	**197**
Depreciation	6	18	2	-	-	4	30
Accumulated depreciation on disposal/adjustment	-	(15)	-	-	-	-	(15)
Disposal/adjustment	-	-	-	-	-	-	-
Balance as at March 31, 2025	**19**	**115**	**22**	**1**	**23**	**32**	**212**
Carrying amount as at March 31, 2025	**16**	**39**	**19**	**1**	**3**	**15**	**93**

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**

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

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, 2025 are as follows:

Particulars	**IU License fees**	**AA software**	**Other software**	**Total**
Cost:				
Gross carrying amount as at April 1, 2024	**50**	**201**	**54**	**305**
Additions	-	30	8	38
Disposal/adjustment	-	-	-	-
Gross carrying amount as at March 31, 2025	**50**	**231**	**62**	**343**
Accumulated amortisation:				
Balance as at April 1, 2024	**15**	**96**	**39**	**150**
Amortisation	10	45	8	63
Accumulated amortisation on disposal/adjustment	-	-	-	-
Balance as at March 31, 2025	**25**	**141**	**47**	**213**
Carrying amount as at March 31, 2025	**25**	**90**	**15**	**130**

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**

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.

(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, 2025 are as follows :

Particulars	Category of RoU assets		Total
	Servers/ virtual machines	Building	
Gross carrying amount as at April 1, 2024	-	**847**	**847**
Additions	-	-	-
Disposal/adjustment	-	-	-
Gross carrying amount as at March 31, 2025	-	**847**	**847**
Accumulated depreciation and impairment:			
Balance as at April 1, 2024	-	**269**	**269**
Depreciation	-	148	**148**
Accumulated depreciation on disposal/adjustment	-	-	-
Balance as at March 31, 2025	-	**417**	**417**
Net carrying amount as at March 31, 2025	-	**430**	**430**

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	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 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, 2025 and March 31, 2024 is as follows :

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liability - non current	341	494
Lease liability - current	153	137
Total lease liabilities	**494**	**631**

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

The movement in lease liabilities during the years ended March 31, 2025 and March 31, 2024 is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning	**631**	**747**
Additions	-	123
Finance cost accrued during the period	43	43
Payment of lease liabilities	(180)	(282)
Balance at the end	**494**	**631**

Maturity analysis of lease liability as at March 31, 2025 and March 31, 2024 is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Future lease payments (undiscounted)		
2024-25		179
2025-26	185	185
2026-27	193	193
2027-28	157	157
2028-29	17	17
Total future lease payments (undiscounted)	**552**	**731**
Total future finance costs	(58)	(100)
Lease liability	**494**	**631**
Current lease liabilities	153	137
Non-current lease liabilities	341	494

Expenses relating to short term leases or low value leases as at March 31, 2025 and March 31, 2024 is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Expenses relating to short term leases	585	106
Expenses relating to leases of low-value	1	1
Total	**586**	**107**

Note: During the year ended March 31, 2024, the original lease term of servers on lease has ended. The arrangement has been continuously extended for a term less than 12 months for the year ended March 31, 2024 and March 31, 2025. The expenses relating to the servers has been accounted as a short-term lease.

Net debt reconciliation of the Company as at March 31, 2025 and March 31, 2024 is as below:

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	3,519	2,844
Liquid investments+	1,750	814
Lease liabilities	(494)	(631)
Net debt	**4,775**	**3,027**

+ Liquid investments comprise current investments that are traded in an active market, being the Group'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, 2024	**2,844**	**814**	**(631)**	**3,027**
Cash flows	675	808	136	1,619
Additions to lease liability	-	-	-	-
Interest expense	-	-	(43)	(43)
Interest paid	-	-	44	44
Gain on redemption and fair value adjustment	-	128	-	128
Net debt as at March 31, 2025	**3,519**	**1,750**	**(494)**	**4,775**
Net debt as at April 1, 2023	**1,358**	**375**	**(747)**	**986**
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**	**814**	**(631)**	**3,027**

9 Intangible assets under development

Intangible assets under development as at March 31 2025 and March 31, 2024 is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Trademarks under progress*	-*	-*
AA software under progress	10	5
Total intangible assets under development	**10**	**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 March 31, 2025.

The intangible assets under development ageing schedule for the year ended March 31, 2025 is as follows:

Intangible assets under development	Intangible assets under development				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	10	-	-*	-	**10**

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

Intangible assets under development	Intangible assets under development				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5	-*	-	-	**5**

*represents value less than 0.5 lakhs, Rs. 0.31 lakhs and Rs. 0.31 lakhs for year ended March 31, 2025 and March 31, 2024 respectively

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning	**5**	**-**
Additions	35	15
Capitalisation during the year	(30)	(10)
Balance at the end	**10**	**5**

10 Investments

Particulars	As at March 31, 2025	As at March 31, 2024
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	465
Investment in IN2220220189 7.74% Maharashtra SGS 2033	252	252
Investment in IN2220230113 7.46% Maharashtra SGS 2033	733	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	511
Investment in IN3120230138 7.44% Tamilnadu SGS 2033	509	509
Investment in IN1620240045 7.43% Haryana SGS 2034	1,024	-
Investment in IN1620240250 7.15% Haryana SGS 2038	509	-
Investment in IN1920240224 7.11% Karnataka SGS 2035	506	-
Investment in IN3320240044 7.08% Uttar Pradesh SGS 2038	1,017	-
Investment in IN3320240051 7.16% Uttar Pradesh SGS 2039	510	-
Total investments in government securities	**8,635**	**5,069**
Total non-current investments	**8,635**	**5,069**
Current investments:		
Investments in mutual funds (quoted) measured at fair value through Profit and Loss (1)		
Investment in LD72SG SBI Liquid Fund Direct Growth 23671.042 units (PY: 2,311.299 units) at market price (NAV).	960	87
Investment in LD48IG SBI Short Term Debt Fund-Direct Plan Growth 23,70,181.3680 units (PY: 23,70,181.3680) at market price (NAV)	790	727
Total current investments	**1,750**	**814**
Total investments	**10,385**	**5,883**
Aggregate amount of quoted investment	10,385	5,882
Market value of quoted investment	10,486	5,833
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments.	-	-

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

National E-Governance Services Limited
CIN: U72900MH2016GOI282855
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

11 **Trade receivables**

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Receivables considered good - Secured;	-	-
Trade Receivables considered good - Unsecured;		
Receivable from others	7,346	5,743
Trade Receivables - credit impaired	-	-
Receivable from others	71	9
Sub-total	**7,417**	**5,752**
Impairment Allowance (Allowance for bad and doubtful debts)		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	-	-
Receivable from others	279	187
Trade Receivables - credit impaired	-	-
Receivable from others	71	9
Total	**350**	**196**
Total trade receivables	**7,067**	**5,556**

Ageing of Trade receivables outstanding as at March 31, 2025

Particulars	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2years	2-3years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	5	3,065	3,392	595	260	29	-	**7,346**
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired				1	65	5	-	**71**
Total trade receivables due	**5**	**3,065**	**3,392**	**596**	**325**	**34**	**-**	**7,417**
Undisputed Trade receivables - considered good	-	13	108	22	107	29	-	**279**
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	1	65	5	-	**71**
Total allowance for credit loss	**-**	**13**	**108**	**23**	**172**	**34**	**-**	**350**
Total trade receivables	**5**	**3,052**	**3,284**	**573**	**153**	**-**	**-**	**7,067**

Ageing of Trade receivables outstanding as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment							
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2years	2-3years	More than 3 years	Total
(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**
Undisputed Trade receivables - considered good	-	10	83	17	75	2	-	**187**
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	1	-	6	2	-	**9**
Total allowance for credit loss	**-**	**10**	**84**	**17**	**81**	**4**	**-**	**196**
Total trade receivables	**6**	**2,691**	**2,309**	**463**	**87**	**-**	**-**	**5,556**

12 **Other financial assets:**

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current other financial assets		
Security deposit	62	58
Bank deposits with maturity more than 12 months from balance sheet date	5,594	4,845
Income accrued but not due on deposits with maturity more than 12 months from balance sheet date	270	8
Total non-current other financial assets	**5,926**	**4,911**
Current other financial assets		
Security deposits	76	3
Income accrued but not due on Government securities	1	-
Income accrued but not due on deposits with maturity more than 12 months from balance sheet date	-	15
Total current other financial assets	**77**	**18**
Total other financial assets:	**6,003**	**4,929**

Note:
1. 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.
2. Deposit amounting to Rs. 2.57 lakhs (PY: Rs. 3.54 lakhs) are held as security/lien towards performance bank guarantee (refer note 40).

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, 2025	As at March 31, 2024
Balance with banks		
In current account	638	544
In deposit account with original maturity within 3 months from the date of deposit	2,879	2,292
Income accrued but not due on deposits with original maturity within 3 months from the date of deposit	2	8
Cash on hand	-	-
Total cash and cash equivalents	**3,519**	**2,844**

14 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
In deposit account with maturity within 12 months of balance sheet date*	9,476	10,673
Income accrued but not due on deposits with maturity within 12 months of balance sheet date	221	367
Total Bank balances other than cash & cash equivalents	**9,697**	**11,040**

Note:

* This includes an amount of Rs. 12 lakhs (PY: 12 lakhs) in fixed deposit, offered as security/lien for the purpose of performance bank guarantee (refer note 40).

15 Other assets

Other non-current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	16	13
Total other non-current assets	**16**	**13**

Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
GST input credit/TDS	143	150
Prepaid expenses	101	93
Other advances	17	7
Total other current assets	**261**	**250**
Total other assets	**277**	**263**

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)

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.

(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, 2025 and March 31, 2024 are as follows.

Particulars	Note	Carrying value	Fair value	Carrying value	Fair value
		As at March 31, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2024
Financial assets					
Amortised cost					
Investments in government securities	10	8,635	8,736	5,069	5,019
Trade receivables	11	7,067	7,067	5,556	5,556
Cash and cash equivalents	13	3,519	3,519	2,844	2,844
Bank balances other than cash & cash equivalents	14	9,697	9,697	11,040	11,040
Other financial assets	12	6,003	6,003	4,929	4,929
Fair value through profit and loss (FVTPL)					-
Investments in mutual funds (quoted)	10	1,750	1,750	814	814
Total financial assets		**36,671**	**36,772**	**30,252**	**30,202**
Financial liabilities					
Amortised cost					
Lease liability	8	494	494	631	631
Trade payables	20	919	919	574	574
Other financial liabilities	21	501	501	534	534
Total financial liabilities		**1,914**	**1,914**	**1,739**	**1,739**

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.

Financial assets and liability measured at fair value - recurring fair value measurement as at the year ended March 31, 2025

Particulars	Fair value measurement using			
	Total	Level 1	Level 2	Level 3
Assets measured at fair value:				
Investments in mutual funds (quoted)	1,750	1,750	-	-
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, 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-	-	-	-	-

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. 7,417 lakhs and Rs. 5,752 lakhs as at March 31, 2025 and March 31, 2024, 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, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Billing from top five customers	6,235	5,218	43%	42%
Billing from top ten customers	8,000	6,711	55%	54%

The allowance for lifetime expected credit loss on customer balances recognised as at the years ended March 31, 2025 and March 31, 2024 is Rs. 350 lakhs and Rs. 196 lakhs, respectively.

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

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning	**196**	**68**
Impairment loss recognised	163	198
Amounts written off	(9)	(70)
Balance at the end	**350**	**196**

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, 2025, the Group had a working capital of Rs 14,286 lakhs including cash and cash equivalents and current bank deposits of Rs.13,216 lakhs and current investments of Rs. 1,750 lakhs. As at March 31, 2024, the Company had a working capital of Rs. 13,605 lakhs including cash and cash equivalents and current bank deposit of Rs. 13,884 lakhs and current investments of Rs. 814 lakhs. Accordingly no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2025:

Particulars	Less than 1 year	1 to 2 year	More than 2 year	Total
Trade payables	919	-	-	919
Other financial liabilities	501	-	-	501
Lease liabilities on an undiscounted basis (refer note 8)	185	193	174	552

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

17 Equity Share capital

Particulars	As at March 31, 2025	As at March 31, 2024
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, 2025		As at March 31, 2024	
	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, 2025		As at March 31, 2024	
	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, 2025		As at March 31, 2024	
	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, 2025. 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, 2025.

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	Year ended March 31, 2025	Year ended March 31, 2024
Final dividend per share for year ended March 31, 2024 (INR rupees)	1	-
Cash outflow (INR lakhs)	750	-

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, 2025. For the proposed divided 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.

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

18 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Retained earnings:		
Opening balance	13,428	8,875
Share issue expenses net of taxes	(6)	-
Add: Profit/(Loss) for the year	5,158	4,560
Add: Other comprehensive income not reclassifiable to profit and loss		
Re-measurements of defined benefit plan actuarial gains/ (losses), net of tax	(10)	(7)
Final dividend paid (2023-24 @ Rs 1 per share)	(750)	-
Total other equity	**17,820**	**13,428**

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, 2025	As at March 31, 2024
Non-current provisions		
Employee benefit obligations:		
Provision for gratuity	121	106
Provision for leave encashment	200	133
Provision for deferred income plan	106	-
Total non-current provisions	**427**	**239**
Current provisions		
Employee benefit obligations:		
Provision for leave encashment	24	15
Provision for bonus	112	86
Provision for deferred income plan	61	-
Provision for variable pay	93	-
Total current provisions	**290**	**101**
Total provisions	**717**	**340**

Note:

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

Movement of provision as at March 31, 2025

Particulars	Balance as at March 31, 2024	Additions	Allowance for financial effect	Applications/ Reversals	Balance as at March 31, 2025
Provision for bonus	85	112	-	(85)	112
Provision for deferred income plan	-	167	-	-	167
Provision for variable pay	-	93	-	-	93
Total provisions	**85**	**372**	-	**(85)**	**372**

Movement of provision as at March 31, 2024

Particulars	Balance as at March 31, 2024	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**

National E-Governance Services Limited
CIN: U72900MH2016GOI282855
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

20 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	87	18
Creditors for supplies & services	832	556
Total Trade payables	**919**	**574**

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, 2025	As at March 31, 2024
Amount remaining unpaid		
Principal amount due to micro and small enterprises	87	18
Interest due on above	-	-*
Total amount remaining unpaid	**87**	**18**
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, 2025

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed							
(i) MSME	12	75	-	-	-	-	87
(ii) Others	408	153	255	7	9	-	832
Disputed							-
(iii) MSME	-	-	-	-	-	-	-
(iv) Others	-	-	-	-	-	-	-
Total Trade payables	**420**	**228**	**255**	**7**	**9**	-	**919**

Trade payables outstanding ageing as at March 31, 2024

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

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

21 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current other financial liabilities		
Security deposits received	25	23
Auditor's remuneration payable	7	5
Reimbursements payable	11	8
Advances returnable	458	498
Total current other financial liabilities	**501**	**534**
Total other financial liabilities	**501**	**534**

22 Other liabilities:

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current other liabilities		
Deferred revenue+	3,966	3,126
Total non-current other liabilities	**3,966**	**3,126**
Other current liabilities		
Statutory Liabilities	550	537
Deferred revenue+	6,337	5,555
Employee benefits payable	9	2
Total current other liabilities	**6,896**	**6,094**
Total other liabilities	**10,862**	**9,220**

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

The revenue recognition pattern of contract liabilities - deferred revenue as on March 31, 2025 is as below:

Particulars	Within 1 year	1 year to 2 year	2 years and above	Total
Deferred revenue - current	6,337	-	-	6,337
Deferred revenue - non current	-	1,605	2,361	3,966
Total deferred revenue	**6,337**	**1,605**	**2,361**	**10,302**

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	5,555	-	-	5,555
Deferred revenue - non current	-	1,143	1,984	3,126
Total deferred revenue	**5,555**	**1,143**	**1,984**	**8,682**

(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, 2025**	**As at March 31, 2024**
Current taxes	(1,929)	(1,652)
Deferred taxes	148	117
Income tax expense	**(1,781)**	**(1,535)**

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, 2025**	**As at March 31, 2024**
Profit before income taxes	6,939	6,095
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	**1,746**	**1,534**
Impact of adoption of different income tax rate in the group	(3)	(2)
Effect of non-deductible expenses	41	(4)
Deferred taxes reversed/(recognised) on c/f losses	(3)	7
Income tax expense	**1,781**	**1,535**

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

The details of income tax assets and income tax liabilities as at March 31, 2025 and March 31, 2024 are as follows:

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Current income tax assets (net)	674	523
Current income tax liabilities (net)	-	-
Net current income tax assets / (liabilities) at the end	**674**	**523**

The gross movement in the current income tax assets / (liabilities) for the years ended March 31, 2025 and March 31, 2024 is as follows:

Particulars	**As at March 31, 2025**	**As at March 31, 2024**
Net current income tax assets / (liabilities) at the beginning	**523**	**22**
Income tax paid	2,080	2,153
Current income tax expense	(1,929)	(1,652)
Net current income tax assets / (liabilities) at the end	**674**	**523**

The movement in gross deferred income tax assets and liabilities for the year ended March 31, 2025 is as follows:

Particulars	**Carrying value as at March 31, 2024**	**Recognised/ (reversed) during the year in**	**Recognised/ (reversed) during the year in OCI**	**Recognised/ (reversed) during the year in Equity**	**Carrying value as at March 31, 2025**
Deferred income tax assets / (liabilities):					
Property, plant and equipment	22	(8)	-	-	14
Provision for gratuity	27	(4)	8	-	31
Provision for leave encashment	37	19	-	-	56
Provision for Deferred Income	-	42	-	-	42
Right of use assets	(146)	37	-	-	(109)
Lease liabilities	158	(34)	-	-	124
Mutual funds - fair value adjustments under Ind AS	(8)	(32)	-	-	(40)
Trade receivables - loss allowance	50	38	-	-	88
Deferred tax asset for carried forward tax loss*	232	90	-	-	322
Total deferred income tax assets	**372**	**148**	**8**	-	**528**

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	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	**253**	**117**	**2**	-	**372**

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 AS115. 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. Incase of bundled service obligations which are not separable, a single measurement method is adopted.

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.

a) Financial information of Group and Other Commercial entities are recognised over a tenure of 1 year.

b) 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.

c) 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.

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

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.

Income from other operational revenue

Other operational revenue consists of software development services, integration services, software maintenance service and transaction revenue from the digital balance confirmation solution. Software development revenue is recognised when the control of the software/customisation is transferred to the customer and user acceptance signoff is received from the customer. Integration services revenue is recognised when the integration is complete and user acceptance signoff is received from the customer. Software maintenance services revenue is recognised over the tenure of such services, as and when performance obligation are fulfilled. Transaction revenue is recognised at a point in time when such a service is complete.

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:
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.
2.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.

Unbilled revenue and deferred revenue represent contract assets and contract liabilities respectively under IndAS 115. Unbilled revenue is disclosed under note 11 - Trade receivables and deferred revenue is disclosed under note 22 - Other liabilities.

Revenue from operations for the year ended March 31, 2025 and March 31, 2024 is as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from contract with customers:		
IU Services		
Financial creditors - IU	11,048	9,519
Financial creditors - DDE	1,667	970
Operational creditors	11	7
One time integration services	-	2
Other operational revenue	132	-
Fee from PDA services	16	17
Central Know Your Customer Services income (CKYC)	18	8
Offline Know Your Customer services income (OKYC):		
One Time Installation Setup Fee	15	30
OKYC services	1	4
Revenue from AA operations	92	75
Total revenue from operations	**13,000**	**10,632**

Reconciliation of contract price to revenue recognised for year ended March 31, 2025 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 year	12,198	2,145	11	145	39	84	14,622
(+) Opening unearned revenue	8,209	444	-	21	-	7	8,681
(-) Opening unbilled revenue	-	-	-	-	(6)	-	(6)
(-) Closing unearned revenue	(9,359)	(922)	-	(18)	-	(3)	(10,302)
(+) Closing unbilled revenue	-	-	-	-	-	5	5
Total revenue for the year	**11,048**	**1,667**	**11**	**148**	**33**	**93**	**13,000**

For the year ended March 31, 2025 the company recognised Rs. 5,555 lakhs revenue from opening deferred revenue.

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 year	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 revenue for the year	**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.

25 Other income

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest on fixed deposits	1,108	914
Interest on security deposits	4	3
Interest on government securities	477	309
Interest on IT refund	2	1
Gain on redemption of mutual funds	-	35
Gain on remeasurement of mutual funds at fair value	128	5
Bad debts written off - recovered	3	-
Miscellaneous income	11	2
Total other income	**1,733**	**1,269**

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

26 Cost of services

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
IU annual fee	1,052	812
IU technology expenses		
Technology resource expenses	212	237
IT data center expenses	686	251
Datawarehouse expenses	20	83
Other IT expenses	629	420
SMS and email charges	31	39
CIRP and VDR expenses	-	12
IU operational expenses	408	231
FIU Gateway and Other Enhancements	65	75
AA software AMC charges	-	10
IT Consulting Expenses	15	19
Other operating expenses	-	9
Total cost of services	**3,118**	**2,198**

27 Finance costs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on lease liabilities	43	43
Total	**43**	**43**

28 Depreciation and amortization expense

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on plant, property and equipment	5	30	34
Amortisation on intangible assets	6	63	56
Depreciation on right of use assets	8	148	202
Total depreciation and amortization expense		**241**	**292**

29 Other expenses

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Rent, Repairs and maintenance +	16	18
Office premises maintenance	49	45
Subscription, rates and taxes	10	15
Professional charges	384	364
Legal fees	44	65
Communication expenses	34	35
Advertisement and business promotion	53	58
Auditors' remuneration		
- Statutory audit	6	5
- For other services [1]	-	-
- Tax audit	2	-
- Out of pocket expenses [2]	-	-
Travelling, boarding and conveyance	64	72
Insurance expenses	24	15
Directors' sitting fees	95	47
Assets written off [3]	-	-
(Gain)/loss on lease modification	-	1
Impairment loss recognised under expected credit loss model	163	198
CSR expenses*	104	84
Other miscellaneous/administrative expenses	43	33
Total	**1,091**	**1,055**

+ Rental expenses for period ended March 31, 2025 consists of printer rental of Rs. 1 lakhs and for the year ended March 2024 consists of laptop and printer rental of Rs 1 lakhs , long term lease rental on premises is accounted as per IndAS 116 -Leases under note 8.

*Refer note - 37 Corporate social responsibility (CSR)

1. Represents value less than 0.5 lakhs, Rs. 0.10 lakhs for year ended March 31, 2025 and Rs. 0.10 lakhs for year ended March 31, 2024
2. Represents value less than 0.5 lakhs, Rs. 0.23 lakhs for year ended March 31, 2025 and Rs. 0.49 lakhs for year ended March 31, 2024
3. Represents value less than 0.5 lakhs, Rs. 0.07 lakhs for year ended March 31, 2025 and Rs. 0.11 lakhs for year ended March 31, 2024

Note: For the previous year ended March 31, 2024, expenses amounting to Rs. 45 lakhs shown as Other miscellaneous/administrative expenses are regrouped into Office premises maintenance.

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 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.

Other long term employee benefits:

The Company provides deferred income plan for its employees which are in the nature of cash bonus payable beyond twelve months and are treated as other long term employee benefits. The cost of providing the benefits are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The cost incurred towards deferred income plan, 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, 2025 and March, 2024 is as below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salary & allowances	2,840	1,863
Contribution to provident fund & superannuation fund	141	112
Gratuity expense	72	60
Leave encashment and compensated leave benefits	122	82
Staff welfare expenses	126	101
Total employee benefit expenses	**3,301**	**2,218**

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

30.1 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, 2025 one of the group entity NESL Asset Data Limited has formed NADL Group Employees Gratuity Trust ("the Trust") and National E-Governance Services Limited has formed Nesl Group Employees Gratuity Trust ("the Trust") during the financial year ended March 31, 2024 and both the companies contributes gratuity liabilities to their respective Trusts. 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, 2025	As at March 31, 2024
Present value of unfunded defined benefit obligation	289	211
Fair value of plan assets	168	105
Net defined benefit (asset)/liability recognised in Balance Sheet	**121**	**106**

Net defined benefit cost/(income) included in Statement of Profit & Loss for the year end	As at March 31, 2025	As at March 31, 2024
Service cost	64	52
Net interest cost	8	8
Total defined benefit cost/(income) included in Statement of Profit & Loss	**72**	**60**

Current / non-current bifurcation	As at March 31, 2025	As at March 31, 2024
Current benefit obligation	52	34
Non - current benefit obligation	237	177
(Asset)/liability recognised in the Balance Sheet	**289**	**211**

Actual return on plan assets	As at March 31, 2025	As at March 31, 2024
Interest income on plan assets	7	2
Remeasurements on Plan Assets	3	-
Actual Return on Plan Assets	**10**	**2**

Analysis of amounts recognised in Other Comprehensive (Income)/Loss at the year end	As at March 31, 2025	As at March 31, 2024
Amount recognised in OCI, beginning of the year	60	51
Remeasurements due to :		
Effect of change in financial assumptions	8	3
Effect of experience adjustments	14	6
(Gain)/Loss on Curtailments/Settlements	(2)	-
Return on plan assets (excluding interest)	(2)	-
Total remeasurements recognised in OCI	**18**	**9**
Amount recognised in OCI at the year end	**78**	**60**

Total defined benefit cost/(income) included in Statement of Profit & Loss and Other Comprehensive Income	As at March 31, 2025	As at March 31, 2024
Amount recognised in P&L, for the year	72	60
Amount recognised in OCI, for the year	18	9
Total net defined benefit cost/(income) recognised for the year	**90**	**69**

Change in defined benefit obligation during the year	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation, beginning of year	211	142
Net current service cost	64	51
Interest cost on DBO	15	11
Actuarial (gains)/losses	20	9
Benefits paid	(21)	(2)
Defined Benefit Obligation at the year end	**289**	**211**

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

Change in fair value of plan assets during the year	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets, beginning of year	105	-
Interest income plan assets	7	2
Actual company contributions	74	103
Actuarial Gains/(Losses)	3	-
Benefits Paid	(21)	-
Fair value of plan assets, end of year	**168**	**105**

Reconciliation of Balance Sheet amount	As at March 31, 2025	As at March 31, 2024
Balance Sheet (asset)/liability, beginning of year	106	142
Total charge/(credit) recognised in Profit and Loss	72	60
Total remeasurements recognised in OC (Income)/Loss	18	9
Actual Employer Contribution/Benefits paid directly by the Company	(75)	(105)
Balance Sheet (asset)/liability, end of year	**121**	**106**

Financial assumptions used to determine the defined benefit obligation	As at March 31, 2025	As at March 31, 2024
Discount rate	6.57%	7.09%
Salary escalation rate	12.00%	12.00%

Financial Assumptions Used to Determine the Profit & Loss Charge	As at March 31, 2025	As at March 31, 2024
Discount rate	6.57%	7.09%
Salary escalation rate	12.00%	12.00%
Expected return on plan assets	6.57%	7.09%

Demographic assumptions used to determine the defined benefit obligation	As at March 31, 2025	As at March 31, 2024
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, 2025	As at March 31, 2025	As at March 31, 2025
	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	185

Expected cashflows for the next ten years	As at March 31, 2025
Year - 2026	54
Year - 2027	22
Year - 2028	24
Year - 2029	25
Year - 2030	25
Year - 2031 to 2035	123

Defined benefit obligation by participant status	As at March 31, 2025
a. Actives	289
Total Defined Benefit Obligation	**289**

Sensitivity analysis	As at March 31, 2025
Defined benefit obligation - discount rate + 100 basis points	(16)
Defined benefit obligation - discount rate - 100 basis points	18
Defined benefit obligation - salary escalation rate + 100 basis points	7
Defined benefit obligation - salary escalation rate - 100 basis points	(8)

30.2 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, 2025**	**As at March 31, 2024**
Present value of unfunded defined benefit obligation	224	148
(Asset)/liability recognised in the Balance Sheet	**224**	**148**

Amounts recognised in Statement of Profit and Loss for the year	**As at March 31, 2025**	**As at March 31, 2024**
Service cost	79	52
Net interest cost	13	9
Remeasurements	30	21
Total expense/(income) included in "Employee benefit expenses"	**122**	**82**

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, 2025**	**As at March 31, 2024**
Defined benefit obligation, beginning of year	**148**	**107**
Net current service cost	79	52
Interest cost on dbo	13	9
Actuarial (gains)/losses	30	21
Benefits paid	(46)	(41)
Defined benefit obligation, end of year	**224**	**148**

31 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, 2025**	**As at March 31, 2024**
Profit/(loss) attributable to equity shareholders of the Group	5,158	4,560
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)	**6.88**	**6.08**

National E-Governance Services Limited
CIN: U72900MH2016GOI282855
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

32 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements as on 31st March 2025

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	96.44%	26,252	106%	5,450	120%	(12)	106%	5,438
Subsidiaries								
NESL Asset Data Limited	2.98%	810	-6%	(288)	0%	-	-6%	(288)
NESL E-infrastructure Limited	0.58%	158	0%	(4)	-20%	2	0%	(2)
Sub total	**100%**	**27,220**	**100%**	**5,158**	**100%**	**(10)**	**100%**	**5,148**
Adjustment arising out of consolidation		(1,900)		-		-		-
Total		**25,320**		**5,158**		**(10)**		**5,148**

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		Share in total comprehensive	
	as % of consolidated net	Amount	as % of consolidated	Amount	as % of consolidated	Amount	as % of consolidated total	Amount
National E-Governance Services Limited	95.72%	21,564	105%	4,807	85%	(6)	105%	4,801
Subsidiaries								
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**

33 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.

34 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 it 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, the holding company has infused Rs. 300 lakhs in July 22, 2024 in order to maintain NoF above the regulatory requirements mandated by RBI. The management has assessed that the Company is currently sufficiently capitalised in terms of the NoF requirements as at the end of current financial year. Any future capital requirements will be reviewed by the management of the Company to comply with the regulatory requirement.

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 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, 2025**	**As at March 31, 2024**
(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, 2025 and for the year ended March 31, 2024.

National E-Governance Services Limited
CIN: U72900MH2016GOI282855
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

36 Commitments

Particulars	As at March 31, 2025	As at March 31, 2024
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	41	16
b) Uncalled liability on shares and other investments partly paid;	-	-
c) Other commitments for expenses	-	-
Total commitments	41	16

37 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, 2025	As at March 31, 2024
Promoting Healthcare	30	24
Promotion of Education	-	-
Environmental causes	74	60
Total expenditure in CSR activities	**104**	**84**
a) Amount required to be spent by the Group during the year	104	84
b) Amount spent during the year:		
(i) Construction/acquisition of Asset	-	-
(ii) On purposes other than (i) above	104	84
Total amount spent/required to be spent during the year	104	84
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.

38 Related party disclosures

Key management personnel	: Mr. Debajyoti Ray Chaudhuri, MD & CEO Mrs. E.P. Nivedita, ED & CRO Mr. Vinod Shenoy M, CFO (till November 14, 2024) Mr. Diwakar Kannan, Interim CFO (from November 15, 2024 to 4 February 2025) Mr. Pradeep Shripad, CFO (from February 5, 2025) Mrs. S. Padmavathy, CS
Post employment benefit plan	: Nesl Group Employees Gratuity Trust NADL 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, 2025	Year ended March 31, 2024
NESL Group Employees Gratuity Trust	73	103
NADL Group Employees Gratuity Trust	1	-
Total contribution to post employment benefit plan	**74**	**103**

Remuneration to key management personnel for the year ended for the year ended March 31, 2025

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	114	4	-	-	118
Mrs. E.P. Nivedita	55	7	-	-	62
Mr. Vinod Shenoy M	56	11	-	-	67
Mr. Diwakar Kannan*	2	-	-	-	2
Mr. Pradeep Shripad	10	-	-	-	10
Mrs. S. Padmavathy	51	4	-	-	55
Total	**288**	**26**	**-**	**-**	**314**

* Remuneration paid to Mr. Diwakar Kannan is for the term of his services as interim CFO.

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**

B. Balances outstanding as at year end

Particulars	As at March 31, 2025	As at March 31, 2024
Post employment benefit plan		
Nesl Group Employees Gratuity Trust	167	105
NADL Group Employees Gratuity Trust	1	-
Total post employment benefit plan	**168**	**105**
Remuneration payable		
Mr. Diwakar Kannan	2	-
Mrs. E.P. Nivedita	-	-*
Total remuneration payable	**2**	**-**

*represents value less than 0.5 lakhs, Rs. 0.2 lakhs for year ended March 31, 2024

National E-Governance Services Limited
CIN: U72900MH2016GOI282855
Notes to the consolidated Ind AS financial statements for the year ended March 31, 2025
(All amounts are in INR lakhs, unless as otherwise stated)

39 Ratios

The various analytical ratios for the year ended March 31, 2025 and March 31, 2024 are as below:

Particulars	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	Variance in %
Current ratio (in times)	Current assets	Current liabilities	2.63	2.83	-6.99%
Debt-Equity Ratio (in times) (1)	Total Debt (representing lease liabilities)	Shareholders Equity	0.02	0.03	-35.30%
Debt Service Coverage ratio (in times)	Earnings available for debt service	Debt Service (representing lease liabilities)	13.09	8.79	48.78%
Return on equity ratio (in %)	Total comprehensive income	Average shareholders Equity	22.26%	24.41%	-2.15%
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	2.30	2.42	-5.09%
Trade payables turnover ratio (in times)	Net credit purchases (2)	Average trade payables	7.12	8.96	-20.58%
Net Capital turnover ratio (in times)	Revenue	Working capital	0.91	0.78	16.44%
Net profit ratio (in %)	Net profit after taxes	Revenue	39.60%	42.82%	-3.22%
Return on Capital employed (in %)	EBIT	Average capital employed	26.05%	28.68%	-2.63%
Return on investment (in %)	Income generated from investments	Time weighted average investments	6.98%	6.47%	0.52%

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.
b) Debt Service Coverage ratio: Increase in earnings available leading to the variance.

40 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. 2.57 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 K N Prabhashankar & Co.
Chartered Accountants
Firm registration number: 004982S

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

Sd/-
A.Umesh Patwardhan
Partner
Membership No: 222945
Date: 11 July 2025
Place: Bengaluru

Sd/-
N.S. Vishwanathan
Director
DIN: 09568559

Sd/-
Debajyoti Ray Chaudhuri
Managing Director & CEO
DIN: 09242571

Sd/-
Nivedita E.P.
Executive Director & CRO

Sd/-
Pradeep Shripad
Chief Financial Officer
Date: 11 July 2025
Place: Bengaluru

Sd/-
Padmavathy S.
Company Secretary
M.No: A37997

Key Events and Milestones

Global Trade Review – GTR India 2024 Mumbai *- 22nd May 2024*

MD & CEO, Shri Debajyoti Ray Chaudhuri was invited as a panelist to speak on the topic 'Leading from the front: a stock-take on the latest trade finance innovation in India' at the Global Trade Review- GTR India 2024 held at Mumbai. The event was attended by prominent bankers and trade finance practitioners. Among the other panelists were Mr Raja Debnath Managing Director, Veefin Solutions and the session was moderated by Elesh Ramaiya Executive Director & Head of Transaction Banking, India, Sumitomo Mitsui Banking Corporation (SMBC).

INSOL India Seminar on "Navigating the Insolvency & Restructuring Landscape: Looking Ahead," in Bengaluru *- 20th July 2024*

NeSL participated in the INSOL India Seminar 2024: "Navigating the Insolvency and Restructuring Landscape: Looking Ahead" in Bengaluru. Shri Debajyoti Ray Chaudhuri, MD & CEO NeSL, spoke on "Role of Information Utility - An Indian Innovation". The discussion was moderated by Smiti Tewari, Partner, Khaitan Legal Associates

Seminar - 'Unlocking the Future of Insolvency and Bankruptcy Regime in India.' at New Delhi *- 27th July 2024*

Hammurabi & Solomon Partners conducted a seminar in which MD & CEO, Shri Debajyoti Ray Chaudhuri was invited as a keynote speaker in the session titled 'Resolution of Stressed Assets: Challenges and Solutions, Valuation in IBC and Role of Information Utility (NeSL)'. Other distinguished speakers included Dr. Divya Sharma (Independent Director of IPA ICAI), CA Akhil Ahuja, CA S.Badri Narayanan, and CA Sanjeev Deora (Insolvency Professional). The session included discussions on the complexities of resolving stressed assets, effective valuation under IBC, and the pivotal role of Information Utility (NeSL) in enhancing transparency and efficiency in the insolvency resolution process.

5th Edition Smart CX Summit & Awards at New Delhi *- 22nd August 2024*

MD & CEO, Shri. Debajyoti Ray Chaudhuri was invited as a moderator for a panel discussion titled ‘Enhanced Customer Experience in Digitally transformed organisations’ at the 5th Edition Smart CX Summit & Awards at New Delhi. This summit witnessed participation from CX visionaries and enthusiasts, who shared thought provoking insights on harnessing the full power of CX to drive business growth across industries.

MSME India Business Awards by Industry Live at New Delhi *- 22nd August 2024*

Shri. Debajyoti Ray Chaudhuri, MD & CEO participated in the panel discussion on the subject ‘Thriving amidst competition: Securing Growth and Survival in the Competitive MSME segment’ at the annual MSME India Business Awards. In his speech he stated that MSMEs should take advantage of India’s superior DPI, which has now been acknowledged to be the best in the world. MD was also requested to present the awards to the MSMEs for their outstanding performance under various categories, along with Shri. Dilip Chenoy, Former General Secretary, FICCI

One day symposium for DGMs/CLOs of SARG and SAMB - State Bank Academy - Gurugram *- 23rd August 2024*

MD & CEO, Shri Debajyoti Ray Chaudhuri spoke on 'Information Utility - A key pillar of the IBC Ecosystem’ which was followed by interaction with the audience, at the ‘One day symposium for DGMs/CLOs of SARG and SAMB branches on IBC' at the State Bank Academy, Gurugram.

NLU Odisha’s First Annual International Conference on Finance, Economics, Banking & Insolvency *- 7th & 8th September 2024*

Centre for Banking and Insurance Laws, National Law University distinguished expert for the hybrid conference organized by NLUO and Smt. E.P Nivedita, IA&AS, ED NeSL was invited as a speaker in the panel discussion titled ‘Importance of Women in Leadership Role’. MD & CEO and ED shared their valuable insights in their respective sessions.

Lecture on 'Introduction to Insolvency Law in India: Law, Procedure, and Scope' to students of Rajiv Gandhi National University of Law, Punjab. *- 15th September 2024*

The Insolvency and Bankruptcy Law Division (IBLD), under the Centre for Business Law and Taxation (CBLT), RGNUL, Punjab invited Shri. Debajyoti Ray Chaudhuri MD & CEO to address their students on the topic 'Introduction to Insolvency and Bankruptcy in India.' In this online session. Shri. Debajyoti Ray Chaudhuri shared his insights on the core concepts, procedures, roles played by various institutions, the corporate insolvency resolution and liquidation processes, their timelines and also about distribution of proceeds during liquidation.

Conference in Insolvency and Bankruptcy Code 2016 at PHD Chamber of Commerce and Industry at New Delhi - *21st September 2024*

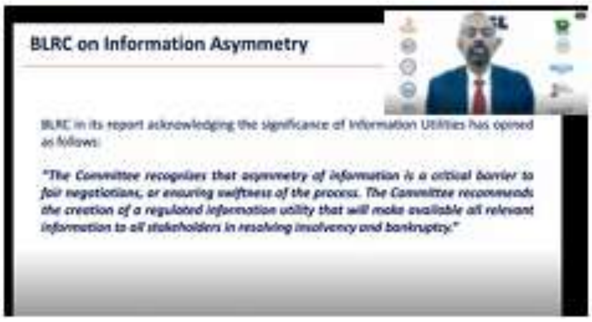
Shri. Debajyoti Ray Chaudhuri MD & CEO, NeSL was invited by the PHD Chamber of Commerce and Industry as a speaker at a Conference on 'Insolvency and Bankruptcy Code 2016' at PHD Chamber of Commerce and Industry, New Delhi to present on the topic 'How MSMEs can benefit from the Information Utility'. This presentation explained the various scenarios in which MSMEs can avail the services of IU for recovery of their dues under the Code.

Information Technology and Technology Tools for IPs – Webinar by IPA of ICAI and NeSL *- 23rd September 2024*

Shri. G.S. Narasimha Prasad, MD, IPA ICAI delivered the welcome address and Shri. Debajyoti Ray Chaudhuri, MD & CEO, NeSL delivered the inaugural address followed by a presentation on the new application of Insolvency Case Management Software (ICMS) by NeSL officials. The webinar was attended by 60+ IPs.

Webinar on "Information Technology and Infrastructure for IPs (by IIIP of ICAI with NeSL)" *- 04th October 2024*

Shri. Rahul Madan, MD, IIIP ICAI delivered the welcome address and Shri. Debajyoti Ray Chaudhuri, MD & CEO, NeSL delivered the inaugural address followed by a presentation on the new application of Insolvency Case Management Software (ICMS) by NeSL officials. The webinar was attended by 70+ Ips



Webinar - Guest Lecture at Gujarat National Law University, Centre for Corporate and Insolvency Law *- 16th October 2024*

Shri. Debajyoti Ray Chaudhuri, MD & CEO, NeSL addressed the students of law, at the GNLU, hosted by the Centre for Corporate and Insolvency Law (GCCIL) on an insightful session on the pioneering role of the Information Utility in the insolvency ecosystem

Valuation Day Celebration at Bangalore Valuers Association *- 18th October 2024*

Shri. Debajyoti Ray Chaudhuri, MD & CEO participated in the valuation day event as a guest of Honour and shared the dais with other dignitaries including the Chief Guest, Shri Kulwant Singh, ED of IBBI. He stated that an achievement of the IBC which also needs to be highlighted, is the creation of the IPs and RVs as a separate cadre of professionals just like the CAs, CMAs and CSs. He also said that, during his tenure at the IBBI, the first 16 registered valuers received their registration certificates.

CII Conference on Digital & Cashless Economy, New Delhi *- 29th October 2024*

MD & CEO, Shri. Debajyoti Ray Chaudhuri was invited to the CII Conference on Digital and Cash less economy with the theme "Fintech & Data Adoption to Deepen Financial Services". In his address, he stated that while there was significant digitisation in financial services, the last mile in the credit process ie, the execution of documents, before disbursal of credit facilities, was mostly physical or only partially digital. He further stated that NeSL's Digital Document Execution (DDE) facility provided for paperless and digital execution of documents which are legally enforceable and stored in a central repository for easy access.

IIM Bangalore's International Symposium on Digital Innovations, Financial Inclusion, & Sustainability - in partnership with SBI, NeSL and Credit Access Grameen Limited - *18th & 19th November 2024*

Shri. Debajyoti Ray Chaudhuri, MD & CEO, NeSL participated in a panel discussion on 'Digitalization and evolving opportunities in the BFSI space' and how NeSL's DDE can drive financial inclusion because of its low cost and user friendly features.

IBBI - NeSL Kolkata colloquium
- 22nd & 24th November 2024

Shri. Debajyoti Ray Chaudhuri, MD & CEO, NeSL addressed the Hon'ble Members on the Effectiveness of Record of Default (RoD) in the colloquium at Kolkata. The presentation explained in detail about how, NeSL's ROD can help in establishing debt, default, dispute, limitation and facilitate admission of CIRP. The colloquium was attended by Hon'ble President NCLT, Hon'ble Members of NCLT, Secretary and Joint Secretary, MCA, Chairperson IBBI and Officials from IBBI, MCA, NeSL and NCLT.

55th Indian Valuers Congress, at Kochi, Kerala
- 05th to 07th December 2024

The Institution of Valuers (IOV) organised their 55th annual Indian Valuers Congress at Kochi in association with IBBI, IOV Registered Valuers Foundation (IOVRVF) and invited Shri. Debajyoti Ray Chaudhuri, MD & CEO, NeSL to deliver the key note address, part of the P.C. Goel memorial lecture. The event was attended by valuers, insolvency professionals, policy makers and participants from academia

Expert talk on Information Utility – An Indian Innovation at IICA, Manesar - *09th December 2024*

The Indian Institute of Corporate Affairs (IICA) under the aegis of Ministry of Corporate Affairs (MCA) invited Shri. Debajyoti Ray Chaudhuri, MD & CEO, NeSL to deliver an expert lecture on the Information Utility to the students of the 6th batch of Post Graduate Insolvency Programme (PGIP). The session was attended by 40+ students with various educational backgrounds.

Guest Faculty at National Academy of Audit & Accounts *- 23rd December 2024*

The premier training institute of the Indian Audit & Accounts Department invited Shri. Debajyoti Ray Chaudhuri, MD & CEO, NeSL to address the officer trainees of IA&AS cadre on the subject 'Insolvency and Bankruptcy Code, 2016 – A Landmark Reform'.

April 2025 – Volume 14

Webinar on "Unlocking the power of the Information Utility - A Practical Guide for Insolvency Professionals" organised by IP Net *- 04th January 2025*

Shri. Debajyoti Ray Chaudhuri, MD & CEO, NeSL delivered the chief guest's address on how NeSL has invested heavily on technology to build scale for the entire financial services industry, without losing sight of the need to facilitate insolvency. This address followed by a presentation on how IPs can leverage the use of IU portal by NeSL officials. The webinar was attended by 50+ professionals

Guest Lecture Christ University, Bengaluru on 'Digitalisation: Evolving Opportunities in the BFSI Space' *- 16th January 2025*

Shri. Debajyoti Ray Chaudhuri, MD & CEO, NeSL addressed the students of the department of management studies at the Christ University, Bengaluru in an insightful session on India's pioneering achievements in digital transformation in the BFSI space. Smt. Vijayashree S, Manager, Reserve Bank of India, also delivered a lecture on Digital Banking and Financial inclusion. This session was attended by 200+ students.

Workshop on Electronic Bank Guarantee (e-BG) at Mumbai *- 10th February 2025*

NeSL hosted workshop on Electronic Bank Guarantee (e-BG) The objective was to have a common platform for stakeholders to come together and discuss ways and means to further strengthen this important digital initiative. The event saw participation by the leading e-BG issuing banks and large beneficiaries of BGs. Presentations were made by both banks and beneficiaries, sharing their experiences and feedback on NeSL's e-BG. The inaugural address was made by Shri Debajyoti Ray Chaudhuri, Managing Director & CEO. NeSL's Executive Director, Smt Nivedita EP also addressed the participants and actively participated in the discussions during the day.

NeSL – CII Webinar on 'Digital Transformation (DX) programme for MSMEs'
- 14th February 2025

Shri. Debajyoti Ray Chaudhuri, MD & CEO was the key note speaker in a webinar jointly organised by NeSL and the Confederation of Indian Industry (CII) on Digital Transformation (DX) programme for MSMEs with the theme "Leveraging Information Utility under IB Code to Better Manage the MSME Payment Puzzle". The address by MD was followed by a presentation by NeSL officials on how NeSL can help MSMEs in getting advance alerts about impending stress in their customers so that they can take steps to protect their interests. It can also help MSMEs in recovery of their dues. This webinar was attended by 50+ representatives from the industry.

IIM Bangalore – Donor Reception 2025 organized by IIMB Development Foundation
-27th February 2025

Shri. Debajyoti Ray Chaudhuri, MD & CEO, NeSL addressed the IIM Bengaluru Donor Reception as the Chief Guest on the 28th of February, 2028. In his address MD spoke about the beautiful campus of IIMB and how 20% of IIM Bangalore's electricity comes from solar energy and the entire roof cover of the institute is fully utilised for solar panels which also includes NeSL's CSR contributions. MD also appreciated the outcomes of the projects, which were implemented within timelines and giving the benefits which were envisaged.

IIM Bangalore – SPM Summit 2025
- 28th February 2025

Shri. Debajyoti Ray Chaudhuri, MD & CEO was invited to be a part of the panel discussion titled 'Scaling Product Success – Pricing & GTM Strategies in a Growing Market' at the IIMB SPM Summit 2025. The panel discussed on how do businesses scale a product effectively while optimizing pricing and go-to-market (GTM) strategies in an evolving market. Other eminent panelists included Miss. Ankita, Co founder, Utpan, Mr. Pavan Chandra Boggarapu, VP of Product Management, Icertis and Mr. Anuj Magazine, Co-founder & CTO, AI & Beyond.

10th NLIU-Trilegal Summit on Corporate and Commercial Laws, 2025 at National Law Institute University, Bhopal

- 8th March 2025

Shri. Debajyoti Ray Chaudhuri, MD & CEO, NeSL was invited vto deliver a guest lecture on 'Evolving role of information utility (IU) under IBC 2016' at the 10th annual NLIU-Trilegal summit on corporate and commercial laws at NLIU Bhopal. This was an interactive session with the students, which was exceptionally insightful and well-received by the participants. MD was also invited to be a jury panellist for a paper presentation event by student participants across the country where 6 students were selected as winners from various institutes of repute. NeSL presented the winners with a memento.

Women's Day Celebration at NeSL Bengaluru office

- 11th March 2025

NeSL celebrated International Women's Day, at our administrative office in Bengaluru. Smt. Padmaja Chunduru former MD and CEO of Indian Bank and former MD of NSDL was the Chief Guest. Speaking at the event, she shared her experiences and her thoughts on various issues including balancing work and family. She appreciated the active participation of all and especially the men at the event. NeSL Executive Director Smt. Nivedita EP IA&AS, MD & CEO of NeSL, Shri. Debajyoti Ray Chaudhuri, CTO of NeSL Shri. Diwakar Kannan, CFO of NeSL Shri. Pradeep Shripad and CSMO of NeSL Dr. Mustafa Shiyaji were also present at the occasion.

Insolvency Law Academy – 3rd Annual International Conference, Alwar, Rajasthan

- 14th to 16th March 2025

Shri. Debajyoti Ray Chaudhuri, MD & CEO, NeSL was invited as a speaker at a panel discussion titled 'Marrying technology and insolvency' at the 3 annual conference hosted by ILA held at Alwar, Rajasthan. MD's presentation dealt on how entire ecosystem is benefiting from the use of technology and advance alerts of incipient stress from NeSL. He also spoke about how NeSL services can benefit Operational Creditors, this is important as their distress could affect the other players in the ecosystem as well. The presentation was well received by international audience and the statistics on the data held by the IU provided valuable insights to the participants. Other eminent panelist Mr. Anoop Rawat, Partner, Shardul Amarchand Mangaldas.

Webinar on 'Harnessing Technology for Enhanced Resolution' to the students of Rajiv Gandhi National University of Law, Punjab

- 23rd March 2025

The Insolvency and Bankruptcy Law Division (IBLD), under the Centre for Business Law and Taxation (CBLT), RGNUL invited Shri. Debajyoti Ray Chaudhuri MD & CEO to address their students on the topic 'Harnessing Technology for Enhanced Resolution' for an online webinar. MD & CEO presented in detail on the core concepts, procedures, roles played by various institutions, the various scenarios under which the information utility can assist in the resolution of distressed entities. This interactive session was attended by 100 + students.

IBBI - NeSL Colloquium, Ahmedabad, Gujarat

- 29th to 31st March 2025

Shri. Debajyoti Ray Chaudhuri, MD & CEO, NeSL addressed the Hon'ble Members on the Issue related to NeSL in the colloquium at Ahmedabad. The presentation explained in detail about services of IU and its Relevant Sections, Regulations and Technical Standards. MD also shared trends in default reporting and discussed about challenges faced during authentication and verification of documents. The colloquium was attended by Hon'ble President NCLT, Hon'ble Members of NCLT, Secretary DFS, Chairperson IBBI, MDs of SBI, MDs of other Banks and Officials from IBBI, MCA, NeSL and NCLT.

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: Global Trade Review – GTR India 2024, Conference on Insolvency and Bankruptcy Code 2016 at PHD Chamber of Commerce and Industry, New Delhi, CII Conference on Digital & Cashless Economy, IIM Bangalore's International Symposium 2024, 55th Indian Valuers Congress at Kochi, SPM Summit 2025 and two Colloquiums organized in association with IBBI and NCLT . Apart from this, MD and CEO spoke about NeSL, DDE, e-BG and IP services at various other industry events.

Awards and Recognition

NeSL was recognized by Dun & Bradstreet for business excellence in the category "Digital & Fintech Solution of the Year" at the 2024 Awards' event held on 21st June 2024 at Delhi. The D & B Business Excellence Awards, 2024 is awarded to honour and recognize the leading SMEs for demonstrating innovation and excellence in driving their businesses to new heights.

Employee Engagement

Several engagement activities were planned through the FY to boost employee morale. Some of the key events were the first NeSL Family Day and 8th Foundation Day of NeSL on the 22nd June, 2024 in Bangalore and on 31st August 2024 in Mumbai. As part of employee development initiatives, a financial planning workshop was organized for employees to help them with their financial planning and securing their future. Independence Day was celebrated on the 15th of August at the NeSL Bengaluru office while Karnataka Rajyotsava was celebrated on 1st November 2024 at the Bengaluru office of the company.

National E-Governance Services Ltd.

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