

nixxi

● भारत

*14<sup>TH</sup> ANNUAL REPORT  
2016-2017*



**NATIONAL INTERNET EXCHANGE OF INDIA**

CIN: U72900DL2003NPL120999

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## National Internet Exchange of India

**Regd. Off.:** 6C, 6D, 6E, Hansalaya Building,  
 15, Barakhamba Road, New Delhi-110001  
**Tel.:** +91-11-48202000, **Fax:** +91-11-48202013  
**CIN-U72900DL2003NPL120999**  
[www.nixi.in](http://www.nixi.in), [www.registry.in](http://www.registry.in), [www.irinn.in](http://www.irinn.in)

## NIXI Overview

NIXI is a not for profit organization set up under section 25 of the Companies Act, 1956 (now section 8 under Companies Act, 2013) for peering of ISPs among themselves and routing the domestic traffic within the country. The initial funding towards infrastructure was from Department of Information Technology. NIXI is performing the following three activities.

- Internet Exchange
- .IN Registry and Internationalized Domain Names (IDNs)
- National Internet Registry (NIR)

**Internet Exchange:** Seven Internet Exchange Nodes are functional at Delhi (Noida), Mumbai, Chennai, Kolkata, Hyderabad, Bengaluru, and Ahmedabad. The Internet Exchange nodes have ensured peering of ISPs among themselves for routing domestic Internet traffic within India, resulting in better quality of service (reduced latency, reduced bandwidth charges for ISPs) saving on international bandwidth. Presently, 56 ISPs with 115 connections are connected with the various nodes of NIXI. The aggregated maximum traffic exchanged at all the nodes is 106 Gbps in the first week of December 2017.

**.IN Registry:** .IN Registry functions with primary responsibility for managing Country Code Top Level Domains (ccTLDs). Registration of .IN domain has crossed the 1.952 million mark in December, 2017. Presently, 117 Registrars have been accredited to offer .IN domain name registration worldwide to customers. It has helped in proliferation of web hosting and promotion of Internet usage in the country.

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**.Bharat IDN in Indian languages:**

.भारत domain name in Devanagari script was successfully launched on 27<sup>th</sup> August 2014 by Hon'ble Minister of Communications & Information Technology, and Minister for Law & Justice, Mr. Ravi Shankar Prasad. The Devanagari script covers Hindi, Dogri, Bodo, Konkani, Maithili, Marathi, Nepali and Sindhi Language.

This will increase the penetration of the Internet through use of local languages and local content.

The availability of .Bharat IDN in Gujarati, Bengali, Manipuri in Bengali script, Punjabi, Tamil, Telugu & Urdu languages started from 3rd August, 2015.

NIXI has sent an application to Internet Corporation for Assigned Names and Numbers (ICANN) and the same has been delegated for all the remaining Indian languages i.e. Assamese, Kannada, Oriya, Malayalam, Santali, Sanskrit, Sindhi, Kashmiri. And these have been delegated at root server also.

**National Internet Registry (NIR)** Coordinates Internet Protocol address space (both IPv4 & IPv6) allocations and other Internet resource management functions at a national level within the country. Earlier NIR was recognized by APNIC (Asia Pacific Network Information Centre) which is a Regional Internet Registry

Since its launch in 2012, NIR has registered impressive growth. The numbers of affiliates registered are 2345 as on 1<sup>st</sup> week of December, 2017.

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## NOTICE

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the members of the Company will be held as under:

**Day** : Thursday

**Date** : 28<sup>th</sup> December, 2017

**Time** : 11a.m

**Venue** : Ministry of Electronics & Information Technology (MeitY), Conference Room 1007, Electronics Niketan, 6, CGO Complex, Lodhi Road, New Delhi –110003.

To transact the following business:

1) To receive, consider & adopt the Audited Balance Sheet as on March 31, 2017 (including the statement of Income and Expenditure and all the necessary documents required by law to be annexed to the Balance sheet) and the Report of Board of Directors and Auditors thereon.

2) To appoint new auditor in place of retiring auditor and to fix their remuneration: To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

"Resolved that, pursuant to the provisions of Section 139, 140 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, and subject to the approval of the Members, M/s S S Kothari Mehta & Co, (Firm Reg. No 000756N), Chartered Accountants, be and is hereby appointed as an auditor of the Company in place of the retiring auditor M/s K.G.Somani & Co., to hold the office until the conclusion of the next Annual General Meeting of the Company for auditing the accounts of the Company for the financial year 2017-2018 at a remuneration of Rs. 2.50 lacs (exclusive of applicable taxes) in addition to reimbursement of traveling and other out-of-pocket expenses incurred by them in connection with the audit."



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## SPECIAL BUSINESS

3) To conduct the Election of Directors among the Ordinary Members of the Company and declaration of the result.

To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

"RESOLVED that pursuant to the provisions of section 160 and other applicable provisions, if any, of the Companies Act, 2013, and article 17b of Articles of Association of the Company, the company be and is hereby authorizes the Ordinary members of the Company to elect nine Directors among themselves whose term shall be two years from this AGM."

4) Appointment of Sanjay Kumar Rakesh, CEO, NIXI as a Co-opted Director of the Company.

To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to section 160 & 161 of the Companies Act, 2013 and any other applicable provision, if any, of the Companies Act, 2013 (including any modification or reenactment thereof) and article 17b of the Articles of Association of the Company, Shri Sanjay Kumar Rakesh (holding DIN 06953079), in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director."

Resolved further that Ms. Anuradha Mitra, Director of the Company, be and is hereby authorized to sign/digitally sign all the documents which are required for filing with ROC as per the provisions of the Companies Act, 2013."

5) Appointment of DG, CERT-In, Dr. Sanjay Bahl as a Co-opted Director of the Company.

To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.



"RESOLVED THAT pursuant to section 160 & 161 of the Companies Act, 2013 and any other applicable provision, if any, of the Companies Act, 2013 (including any modification or reenactment thereof) and article 17b of the Articles of Association of the Company, Dr. Sanjay Bahl in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director."

Resolved further that Ms. Anuradha Mitra, Director of the Company, be and is hereby authorized to sign/digitally sign all the documents which are required for filing with ROC as per the provisions of the Companies Act, 2013."

6) Ratification of the resolution passed by the Board of Directors regarding the joining/ leaving of the members of the Company during the year.

To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

"Resolved that the resolution passed by the Board of Directors as per Article II. 1. of table H of Schedule 1 of the Companies Act, 2013 and Article 2 (b) and (e) of the Articles of Association of the Company, regarding joining/leaving of the members of the Company during the year, be and is hereby ratified."

"Resolved further that any Directors of the Company, be and is hereby authorized to sign/digitally sign all the documents/forms for filing the same with the ROC as per the provisions of the Companies Act, 2013."

Date: 8<sup>th</sup> December, 2017

Registered Office:

Flat No. 6C, 6D & 6E, 6<sup>th</sup> Floor,

Hansalya building, 15,

Barakhamba Road,

New Delhi-110001

By Order of the Board of Directors

For National Internet Exchange of India

  
(Sanjay Kumar Rakesh)

Director

DIN : 06953079



- a) The relative explanatory statement pursuant to section 102 of the Companies Act, 2013, in respect of the business under item no. 2 to 6 is annexed hereto.
- b) A member shall not be entitled to appoint any other person as his proxy unless such other person is also a member of such company.
- c) The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than 48 hrs before the time for holding the meeting.
- d) Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting
- e) The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode as well as physical copies to those Members whose email Id & addresses are registered with the Company.





## EXPLANATORY STATEMENT

As required by section 102 of the Companies Act, 2013, the following explanatory statement set out all material facts relating to the business mentioned under item no. 2 to 6 of the accompanying Notice dated 8<sup>th</sup> December, 2017.

### Item No. 2

To appoint new auditor in place of retiring auditor and to fix their remuneration:

The retiring Auditor, M/s K.G.Somani & Co. (Firm Reg. No. 06591N), Chartered Accountants, have been conducting the audit of the Company since 2012-2013. They will retire at the conclusion of the ensuing Annual General Meeting.

The Board has proposed the appointment of M/s S S Kothari Mehta & Co, (Firm Reg. No 000756N), Chartered Accountants as Statutory Auditor of the Company in place of M/s K.G.Somani & Co., to hold the office until the conclusion of the next Annual General Meeting of the Company for auditing the accounts of the Company for the financial year 2017-2018.

Therefore, the Board of Directors recommend passing of the Resolution as set out in item No. 2 of the Notice.

None of the Directors or Key Managerial Personnel (KMPs) of the Company or their relatives is in any way concerned or interested, financial or otherwise, in the said resolution.

### Item No. 3

Article 17b of the Articles of Association provides that the Ordinary members of the Company will elect Nine Directors among themselves.

Accordingly, as per article 17b and section 160 of the Companies Act, 2013, the list of the final candidates who will contest the election of the Directors and the ballot papers will be dispatched as per the schedule of election.

On the basis of the voting, result will be declared and new elected directors will be appointed for the period specified in the article 17d.

Therefore, the Board of Directors recommend passing of the Resolution as set out in item No. 3 of the Notice.



None of the Directors or Key Managerial Personnel (KMPs) of the Company or their relatives is in any way concerned or interested, financial or otherwise, in the said resolution.

**Item No. 4**

As per Article 17 (b) the Board at its discretion may co-opt Three Directors from the members company or such other persons who in its view shall be helpful for the efficient and transparent working of the company.

Shri Sanjay Kumar Rakesh is currently serving as CEO of the Company. He is actively involved in the day to day affairs of the Company.

Under section 160 of the Companies Act, 2013, a notice in writing has been received from him proposing him for directorship of the Company along with consent in writing to act as Director in form DIR-2 and intimation in form DIR 8 in terms of Companies (Appointment and Qualifications of Directors) Rule, 2014, to the effect that they are not disqualified under subsection (2) of section 164 of the Companies Act 2013.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as Directors.

Therefore, the Board of Directors recommend passing of the Resolution as set out in item No. 4 of the Notice in relation to appointment of Shri Sanjay Kumar Rakesh as Director, for the approval by the Members of the Company. All documents concerning these items are available for inspection at the Registered Office of the Company from 11 A.M. to 1 P.M. on all working days till the date of the forthcoming Annual General Meeting of Members.

None of the Directors or Key Managerial Personnel (KMPs) of the Company or their relatives except Shri Sanjay Kumar Rakesh (holding DIN 06953079), to whom the resolution relates, is in any way concerned or interested, financial or otherwise, in the said resolution.

**Item No. 5**

As per Article 17 (b) the Board at its discretion may co-opt Three Directors from the members company or such other persons who in its view shall be helpful for the efficient and transparent working of the company.



At present Dr. Sanjay Bahl is serving at the Indian Computer Emergency Response Team and also an adjunct faculty with IIIT Delhi. He has been providing consultancy in the area of governance, risk, compliance, security, privacy, forensics, investigation and fraud management to some national level projects in India.

NIXI is actively engaged in promoting capacity building activities in the area covering IPV6, Internationalized domain names and other emerging technologies. Involvement of Dr. Sanjay Bahl in such capacity building programs of NIXI is expected to enhance the quality and reach of the programmes.

Under section 160 of the Companies Act, 2013, a notice in writing has been received from him proposing him for directorship of the Company along with consent in writing to act as Director in form DIR-2 and intimation in form DIR 8 in terms of Companies (Appointment and Qualifications of Directors) Rule, 2014, to the effect that they are not disqualified under subsection (2) of section 164 of the Companies Act 2013.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as Directors.

Therefore, the Board of Directors recommend passing of the Resolution as set out in item No. 5 of the Notice in relation to appointment of Dr. Sanjay Bahl, for the approval by the Members of the Company. All documents concerning these items are available for inspection at the Registered Office of the Company from 11 A.M. to 1 P.M. on all working days till the date of the forthcoming Annual General Meeting of Members.

None of the Directors or Key Managerial Personnel (KMPs) of the Company or their relatives except Dr. Sanjay Bahl, to whom the resolution relates, is in any way concerned or interested, financial or otherwise, in the said resolution.

#### **Item No. 6**

The Board is authorized to increase the number of Members of the Company as per Article II. 1. of table H of Schedule 1 of the Companies Act, 2013 and Article 2 (b) and (e) of the Articles of Association of the Company. Accordingly, the Board of



Directors have approved the joining/leaving of the members of the Company during the year.

Board of Directors recommend passing of the Resolution as set out in item No. 6 of the Notice.

None of the Directors or Key Managerial Personnel (KMPs) of the Company or their relatives is in any way concerned or interested, financial or otherwise, in the said resolution.

Date: 8<sup>th</sup> December, 2017

By Order of the Board of Directors  
For National Internet Exchange of India

Registered Office:  
Flat No. 6C, 6D & 6E, 6<sup>th</sup> Floor,  
Hansalya building, 15,  
Barakhamba Road,  
New Delhi-110001

  
(Sanjay Kumar Rakesh)  
Director  
DIN : 06953079

## DIRECTORS' REPORT

To

The Members

The Directors are pleased to present the 14<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Accounts for the year ending March 31, 2017.

### FINANCIAL RESULTS

(Rs. in lacs)

	Year Ended	
	2016-2017	2015-2016
<b>INCOME</b>		
- Membership Fees	0.74	0.57
- Registration Charges (.IN)	5491.72	4641.92
- Connectivity Charges (IX)	266.38	207.74
- Data transfer Differential (net)	19.40	37.96
- Affiliation Fees	702.00	478.68
- Other income	18.06	21.93
- Interest earned	1554.07	1406.43
<b>Total Income (A)</b>	<b>8052.37</b>	<b>6795.23</b>
<b>EXPENDITURE</b>		
- Technical & Operating Expenses	1537.41	1305.46
- Establishment	177.32	136.65
- Administrative and Promotional Expenses	727.05	827.96
- Depreciation	60.31	14.21
<b>Total Expenditure (B)</b>	<b>2502.09</b>	<b>2287.27</b>
<b>Surplus prior to appropriation and Prior Period Adjustment</b>	<b>5550.29</b>	<b>4510.96</b>
<b>(C)=(A) – (B)</b>		
Add: Prior Period Adjustment (D)	(2.57)	(2.16)
Less: Transferred to Marketing Fund (E)	(564.39)	(509.01)
<b>Net Surplus (C)+(D) – (E)</b>	<b>4983.33</b>	<b>3999.78</b>

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*[Signature]*  
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#### OPERATIONS:

During the financial year, the operational revenue has gone up from Rs.5366.88 lacs to Rs.6480.25 lacs and made a net surplus of Rs.4983.33 lacs (Previous Year Rs.3999.78 lacs) after consideration of interest income of Rs.1554.07 lacs (Previous year Rs.1406.43 lacs). The surplus includes Rs.196.28 lacs from exchange operation, Rs.4253.51 lacs from Registry operations (after the appropriation to Marketing Reserve), and Rs.533.54 lacs from the activity of National Information Registry (NIR). The total allocation to and utilization from marketing fund during the year is Rs.564.39 lacs (previous year Rs.509.02 lacs). The accumulation to market fund Reserve account stands at Rs.763.53 lacs on 31.03.2017. This represents the unutilized balance at the close of the agreement on December 31, 2013, which is pending for settlement with the technical service provider. The matter is likely to be resolved shortly. The reserve funds have reached the level of Rs.22931.42 lacs (Previous Year Rs.17948.02 lacs) excluding marketing reserve fund.

#### OUTLOOK FOR THE YEAR 2017-18:

- To increase the quantum of traffic exchange from the present 75 Gbps to 125 Gbps.
- Increase in no. of Affiliates joining IRINN from 2200 to 2400

#### CHANGE IN THE NATURE OF BUSINESS:


There is no change in the nature of business of the Company during the year 2016-17.

**Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of financial year of the company to which the statements relate and the date of the report:**

There were no material changes during the year, affecting the financial position of the Company.

#### DETAILS OF SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES:

There are no Subsidiary, Joint Venture or Associate companies.



### DEPOSITS:

The Company has neither invited nor accepted any deposits from the public during the year under report.

### AUDIT REPORT:

The Statutory Auditors have not reported any incident of fraud.

The observations of the Auditors have been suitably dealt with in the schedules and notes to the accounts and further company's comments on these observations are given as under:

Observation No.	Auditor's Observations	NIXI comments
1	The Company has made purchases of operational equipment (Computer, Router, Server etc) costing Rs.146.36 lakhs for replacing the existing equipment at various locations. However, old replaced equipment is still reflected in books of account at book value instead of lower of book value and realisable value, due to pending ascertainment the usage of the old equipment for operational purposes.	Technical evaluation of the equipment has been initiated for ascertaining the usage. The necessary action shall be taken after the completion of the evaluation.
2	The Company has obtained a legal opinion in regard to applicability of employee benefits. Based on the opinion, a provision of Rs .27.79 lakhs has been created during the year towards retirement benefits for all the eligible employees. The liability towards retirement benefits should be evaluated through approved actuaries.	The liability has been recorded for all the eligible employees considering the period of the association all employees including contractual employees. The evaluation through actuarial is also being initiated
3	With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, in our	Management has taken necessary steps to design and develop the risk assessment






<p>opinion, to the best of our information and according to the explanations given to us, the company is taking steps to design and develop the risk assessment and management policies and further augment IT controls and automation to ensure operative effectiveness, strengthening and documentation of essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India. In view of the above, we are unable to provide a basis for our opinion whether the Company has adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.</p>	<p>and management policies and further augment IT controls and automation to ensure operative effectiveness, strengthening and documentation of essential components of internal control</p>
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## APPOINTMENT OF AUDITORS:

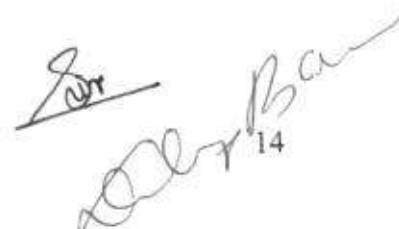
The present statutory auditor, M/s K.G.Somani & Co. (Firm Reg. No. 06591N), Chartered Accountants, have been conducting the audit of the Company since 2012-2013. They will retire at the conclusion of the ensuing Annual General Meeting.

The Audit Committee in its meeting held on 27<sup>th</sup> September 2017 constituted a sub-committee comprising of members – Shri Anil Kumar Jain, Shri Rajesh Chharia and Director, Finance (MeitY) for proposing the name of new Auditor in place of retiring Auditor.

Board may consider the same.

## DIRECTORS:

The nomination of Dr. Aruna Sharma from the post of Nominee Director of the Company was withdrawn consequent upon her transfer to the Ministry of Steel and Smt. Aruna Sundararajan was nominated on the Board of Directors of the Company w.e.f 30.08.2016.

The nomination of Smt. Aruna Sundararajan from the post of Nominee Director of the Company was withdrawn consequent upon her transfer to Department of Telecommunication and Shri Ajay Prakash Sawhney, Secretary, MeitY was nominated on the Board of Directors of the Company w.e.f 08.07.2017.

Shri Abhay Karandikar was appointed as a Nominee Director of the Company on 29<sup>th</sup> March 2017.

The Board placed on record its appreciation for the contribution made by Dr. Aruna Sharma and Smt. Aruna Sundararajan during the tenure of their directorship.

None of the Directors of the Company are disqualified under section 164(2) of the Companies Act, 2013.

#### NUMBER OF MEETINGS HELD DURING THE FINANCIAL YEAR 2016-17:

##### A) Board Meetings:

S.No.	Date of Board meeting	Total number of Directors on the date of meeting	No. of Directors attending the Meeting
1	09/09/2016	13	10
2	29/03/2017	13	10

##### B) Committee meetings:

##### i) IX Advisory Committee

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	13/05/2016	6	3
2	09/06/2016	6	5

*Signature of Shri Abhay Karandikar*

ii) .IN Advisory Committee

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	12/05/2016	5	4
2	02/09/2016	5	4
3	04/01/2017	5	4
4	22/02/2017	5	4

iii) NIR Committee

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	09/06/2016	5	5

iv) Finance & Audit Committee

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	05/08/2016	4	4
2	17/08/2016	4	4
3	24/08/2016	4	4

vi) Committee of HR & Organization Structure

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	18/04/2016	4	3

vii) Corporate Governance Committee

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	13/06/2016	4	3




C) Attendance of Directors:

S.No.	Name of Director	No. of Board Meetings		% of attendance	No. of Committees in which member	No. of Committee Meetings		% of attendance
		Held during tenure	Attended (Personally or through video conference)			Held during tenure	Attended (Personally or through video conference)	
1	Shri Ajay Prakash Sawhney	-	-	-	-	-	-	-
2	Smt. Aruna Sundararajan	2	2	100	-	-	-	-
3	Dr. Ajay Kumar	2	-	0	-	-	-	-
4	Ms Anuradha Mitra	2	2	100	1	3	3	100
5	Shri Abhay Karandikar	-	-	-	-	-	-	-
6	Shri Rajesh Chharia	2	2	100	3	8	8	100
7	Dr Omkar Rai	2	2	100	2	2	2	100
8	Shri Anil Jain	2	2	100	2	5	3	60
9	Shri S P Jerath	2	2	100	2	5	4	80
10	Shri B C Jain	2	2	100	2	3	2	66.67
11	Shri Neeraj Sonker	2	1	50	2	3	2	66.67
12	Shri Sharad Sanghi	2	-	0	2	3	-	0
13	Shri M. P. Vijay Kumar	2	1	50	2	5	-	0
14	Shri R S Mani	2	2	100	2	3	1	33.33
15	Shri Dilip Barman	2	1	50	2	5	4	80




**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES (SEC. 188):**

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure I** in Form AOC-2 and the same forms part of this report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:** The Company has not given any loans or guarantees and not made any investments covered under the provisions of section 186 of the Companies Act, 2013.

**EXTRACT OF ANNUAL RETURN**

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure II** in the prescribed Form MGT-9, which forms part of this report.

**CORPORATE SOCIAL RESPONSIBILITY (SECTION 135):**

The Board of Directors during the year under review approved the Corporate Social Responsibility (CSR) Policy of the Company pursuant to provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014. The CSR policy is available on the website of the Company at [http://nixi.in/images/CSR\\_Policy.pdf](http://nixi.in/images/CSR_Policy.pdf).

A brief outline of the CSR policy, the CSR initiative undertaken during the financial year 2016-17 together with the progress thereon and the Annual report on CSR activities are set out in **Annexure III** to this report.

**PARTICULARS OF EMPLOYEES**

Particulars of employees as required by Section 197 of the Companies Act 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: NIL

**PARTICULARS OF ENERGY CONSERVATION  
CONSERVATION OF ENERGY**

Measures taken for Conservation of energy.

Nil





Additional investment and proposal for reduction of energy usage- Nil

## TECHNOLOGY ABSORPTION -

NIL

## FOREIGN EXCHANGE EARNINGS AND OUTGO

Earning in foreign exchange:

From Domain registrations

Rs.1,76,85,617/-

(Represents the total collection made in foreign currency to be proportionately allocated as income over the period of domain registered).

Expenditure in Foreign Currency

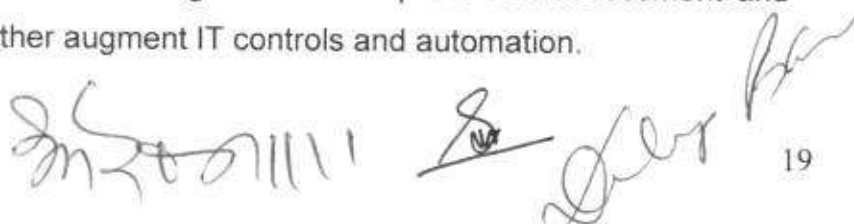
-Subscription & Travelling

Rs1,00,88,113/-

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the 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 fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively. Necessary steps are being taken to design and develop the risk assessment and management policies and further augment IT controls and automation.



## ACKNOWLEDGEMENT

Directors express their gratitude to the Government of India, Ministry of Communications and Information Technology, IIT Madras, ISPAI and all members for their kind co-operation. Directors' place on record the appreciation for the overwhelming co-operation and assistance received from the Bankers, customers and others. The board wishes to place on record its deep sense of appreciation for the contribution made by all employees in ensuring high level of performance and growth during the year.

**For and On behalf of the Board of Directors  
National Internet Exchange of India**

 (Sanjay Kumar Rakesh)	 (Dilip Barman)	 (Omkar Rai)
--	--	--

Place : New Delhi

CEO

Director

Director

Date: 29<sup>th</sup> September, 2017

DIN:07322268

DIN:01364223



**Annexure I**

**Form No. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

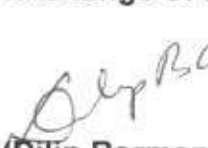
Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2016-17.

2. Details of material contracts or arrangement or transactions at arm's length basis: The Company has not entered into following contract with its related parties during the financial year 2016-17.

**For and On behalf of the Board of Directors  
National Internet Exchange of India**

  
(Sanjay Kumar Rakesh)

  
(Dilip Barman)

  
(Omkar Rai)

Place : New Delhi

CEO

Director

Director

Date: 29<sup>th</sup> September, 2017

DIN:07322268

DIN:01364223

**ANNEXURE II**  
**EXTRACT OF ANNUAL RETURN**

**for the financial year ended on 31<sup>st</sup> March 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: U72900DL2003NPL120999
- ii) Registration Date: 7<sup>th</sup> March 2013
- iii) Name of the Company: NATIONAL INTERNET EXCHANGE OF INDIA
- iv) Category / Sub-Category of the Company: Incorporated u/s 25 of the Companies Act 1956 (now section 8 of Companies Act 2013) - a Public Company not having share capital.
- v) Address of the Registered office and contact details : Flat No. 6C, 6D & 6E, 6<sup>th</sup> Floor, Hansalya building, 15, Barakhamba Road, New Delhi-110001. Website: [www.nixi.in](http://www.nixi.in), [www.registry.in](http://www.registry.in), [www.irinn.in](http://www.irinn.in), Tel.: +91-1148202000
- vi) Whether listed company: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NA

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main Activities	NIC Code of the Product/ service	% to total turnover of the company
1	Internet Exchange	NA	4.42
2	.IN registry	NA	84.75
3	NIR	NA	10.83

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Nil**





**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):** The Company does not have any share capital.

i) Category-wise Share Holding: NA

ii) Shareholding of Promoters: NA

iii) Change in Promoters' Shareholding: NA

iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NA

v) Shareholding of Directors and Key Managerial Personnel: NA

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>				
· Addition	Nil	Nil	Nil	Nil
· Reduction				
<b>Net Change</b>	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid				
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil




## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NA

B. Remuneration to other directors: Nil

C. Remuneration to key managerial personnel other than MD/Manager/WTD: NA

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

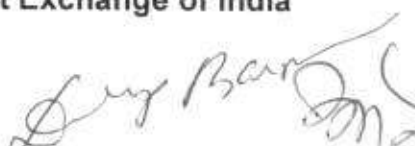
Type	Section of Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any
<b>A. COMPANY</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>B. DIRECTORS</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

For and On behalf of the Board of Directors

National Internet Exchange of India

  
(Sanjay Kumar Rakesh)

CEO

  
(Dilip Barman)

Director

  
(Omkar Rai)

Director

Place : New Delhi

Date: 29<sup>th</sup> September, 2017

DIN:07322268

DIN:01364223

### ANNEXURE III Annual Report on CSR Activities

(1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes:

NIXI's CSR policy intends to:

- i) Improve quality of life of communities through long-term value creation for all stakeholders.
- ii) Strive for economic development by protecting and promoting the interest of the Internet users around the country specifically in the rural areas.

In pursuance to the Companies Act, 2013, NIXI's CSR activities amongst others, will focus on Education and training and Rural Development Projects. The policy can be accessed at [http://nixi.in/images/CSR\\_Policy.pdf](http://nixi.in/images/CSR_Policy.pdf)

During 2016-17, NIXI had received a request from Indian Electronics and Semi-Conductor Association (IESA) for funding of Electropreneur Park, a project funded by MeitY and being implemented jointly with IESA & Delhi University. IESA is exploring the possibility for receiving the CSR funds from corporates for the Electropreneur Park located in the premises of Delhi University. The Electropreneur Park spends the funds granted on the incubators.

The Board approved spending of CSR amount of Rs. 62.91 lacs for FY 2016-17 in the Electropreneur Park.

(2) The Composition of the CSR Committee:

Shri Sanjay Kumar Rakesh, CEO, NIXI

Shri Anil Jain, Director, NIXI

Shri Brajesh Jain, Director, NIXI

Shri Neeraj Sonker, Director, NIXI

Shri R.S. Mani, Director, NIXI

(3) Average net profit of the company for last three financial years: Rs. 3145.43 lacs

(4) Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):  
Rs.62.91 lakhs



(5) Details of CSR spent during the financial year.

(a) Total amount spent for the financial year: Rs. 62.91 lakhs

(b) Amount unspent, if any:

(c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or programme wise)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent direct or through implementing agency
1	Electropreneur Park	Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government	Delhi	Rs. 62.91 lakhs	Rs. 62.91 lakhs	Rs. 62.91 lakhs	Rs. 62.91 lakhs

6. Reason for not spending the two per cent of the average net profit of the last three financial years or any part thereof: NA

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:

**For and On behalf of the Board of Directors**

**National Internet Exchange of India**



  
 (Sanjay Kumar Rakesh) (Dilip Barman) (Omkar Rai)

Place : New Delhi

CEO

Director

Director

Date: 29<sup>th</sup> September, 2017

DIN:07322268

DIN:01364223

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF National Internet Exchange of India**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **National Internet Exchange of India** ("the Company registered under section 8 of companies act 2013"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Income and Expenditure, the Statement of Receipt & Payment and Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Receipt and Payment of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.





We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its surplus and its cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to the following notes to the financial statements:

- a) Note-24 which, describes that the Company has made purchases of operational equipment (Computer, Router, Server etc) costing Rs.146.36 lakhs for replacing the existing equipment at various locations. However, old replaced equipment is still reflected in books of account at book value instead of lower of book value and realisable value, due to pending ascertainment the usage of the old equipment for operational purposes.
- b) Note-32 which, describes that the Company has obtained a legal opinion in regard to applicability of employee benefits. Based on the opinion, a provision of Rs.27.79 lakhs has been created during the year towards retirement benefits for all the eligible employees. The liability towards retirement benefits should be evaluated through approved actuaries.

Our opinion is not modified in respect of the above matters.

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

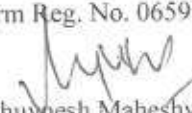
1. This report does not include a statement on the matters specified in paragraphs 3&4 of Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, since in our opinion and according to the information and explanation given to us being a section 8 company, the said order is not applicable to the company.
2. As required by Section 143 (3) of the Act, we report to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, Statement of Income & Expenditure, Statement of Receipt & Payment and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 & 26 to the financial statements.
  - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - c. The Company has provided requisite disclosures in its financial statements as regard to holding and dealing in Specified Bank Notes as defined in the notification S.O. 3407 (E) dated 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company audited by us. (Refer Note- 33).



For **K.G.Somani &Co.**  
Chartered Accountants  
Firm Reg. No. 06591N

  
( CA Bhuvnesh Maheshwari )  
Partner  
Membership No. 088155

Date: 29-09-2017  
Place: New Delhi

## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NATIONAL INTERNET EXCHANGE OF INDIA.**

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

We have audited the internal financial controls over financial reporting of **NATIONAL INTERNET EXCHANGE OF INDIA** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is not sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external



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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Disclaimer of Opinion**

*With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, in our opinion, to the best of our information and according to the explanations given to us, the company is taking steps to design and develop the risk assessment and management policies and further augment IT controls and automation to ensure operative effectiveness, strengthening and documentation of essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.*

*In view of the above, we are unable to provide a basis for our opinion whether the Company has adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.*

We have also audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of National Internet Exchange of India which comprise of the Balance Sheet as at March 31, 2017, and related statement of Income and Expenditure, Receipt and Payment and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated expressed unqualified opinion. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company and the disclaimer does not affect our opinion on the financial statements of the Company.



For **K.G. Somani & Co.**  
Chartered Accountants  
Firm Reg. No. 06591N

*[Signature]*  
(CA Bhuvnesh Maheshwari)  
Partner  
Membership No. 088155

Date: 29-09-2017  
Place: New Delhi

**NATIONAL INTERNET EXCHANGE OF INDIA**  
**BALANCE SHEET AS AT MARCH 31, 2017**  
**CIN-U72900DL2003NPL120999**

Particulars	Note No.	As At March 31,2017 (Rs)	As At March 31,2016 (Rs)
<b>I EQUITY &amp; LIABILITIES</b>			
1) <b>Capital Funds</b>			
a) Grant Funds	2	22,80,512	74,75,186
b) Reserves & Surplus	3	2,36,67,95,136	1,86,84,62,339
2) <b>Non Current Liabilities</b>	4		
- Other Long Term Liabilities		13,89,54,587	12,52,29,220
- Long Term Provisions		22,94,194	-
3) <b>Current Liabilities</b>			
a) Trade Payables	5	1,83,81,475	3,58,38,284
b) Other Current Liabilities	6	47,78,19,027	46,91,34,892
c) Short Term Provisions	7	7,06,853	1,98,001
<b>Total</b>		<b>3,00,72,31,784</b>	<b>2,50,63,37,922</b>
<b>II ASSETS</b>			
1) <b>Non Current Assets</b>			
a) Fixed Assets	8		
- Tangible Assets		1,51,83,746	48,72,712
- Intangible Assets		2,00,454	18,44,066
b) Long Term Loans and Advances	9	38,47,31,335	32,75,79,015
2) <b>Current Assets</b>			
a) Trade Receivables	10	1,86,03,599	2,83,25,328
b) Cash & Bank Balances	11	2,41,52,93,732	1,98,31,67,035
c) Short Term Loans & Advances	12	4,49,92,701	4,30,63,062
d) Other Current Assets	13	12,82,26,217	11,74,86,704
<b>Total</b>		<b>3,00,72,31,784</b>	<b>2,50,63,37,922</b>

Significant Accounting Policies

1

Other Notes to Accounts

19 to 34

As per attached Report of even date

For and on behalf of board of directors

for K.G.Somani & Co.

Chartered Accountants

Firm Registration No.06591N

CEO

Director

Dilip Barman  
DIN: 07322268

Director

Omkar Rat  
DIN: 01364223

CA Bhuvnesh Maheshwari

Partner

Membership No. - 088155

Place : New Delhi


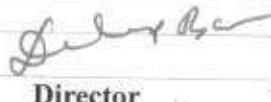

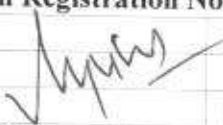

Dated : 29-09-2017






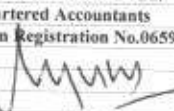

# NATIONAL INTERNET EXCHANGE OF INDIA

## Statement of Income & Expenditure for the Year Ended 31st March, 2017

CIN-U72900DL2003NPL120999

Particulars	Note No.	Year Ended March 31,2017 (Rs)	Year Ended March 31,2016 (Rs)
<b>INCOME</b>			
Revenue from Operations	14	64,80,24,751	53,66,87,742
Other Income	15	15,72,12,945	14,28,35,900
<b>Total Income</b>		<b>80,52,37,696</b>	<b>67,95,23,642</b>
<b>EXPENDITURES</b>			
Operational Expenses	16	15,37,41,454	13,05,45,586
Employee Benefits Expense	17	1,77,31,544	1,36,65,096
Depreciation & Amortization Expense	8	60,30,686	14,20,740
Other Expenses	18	7,27,05,344	8,27,96,105
<b>Total Expenditures</b>		<b>25,02,09,028</b>	<b>22,84,27,527</b>
Excess of Income over Expenditures		55,50,28,668	45,10,96,115
Less: Transferred to Marketing Fund		5,64,39,365	5,09,01,501
Less: Prior Period Adjustment		2,56,505	2,16,220
Surplus carried over to Reserve & Surplus		<b>49,83,32,798</b>	<b>39,99,78,394</b>
Significant Accounting Policies	1		
Other Notes to Accounts	19 to 34		
<b>For and on behalf of board of directors</b>			
 CEO	 Director Dilip Berman DIN: 07322268	 Director Omkar Rao DIN: 01364223	As per attached Report of even date for K.G.Somani & Co. Chartered Accountants Firm Registration No.06591N
			 CA Bhuvnesh Maheshwari Partner Membership No. - 088155
Place : New Delhi			
Dated : 29-09-2017			33

**NATIONAL INTERNET EXCHANGE OF INDIA**  
**STATEMENT OF RECEIPT & PAYMENT FOR THE YEAR ENDED ON MARCH 31, 2017**  
**CIN-U72900DL2003NPL120999**

RECEIPT	Year Ended March 31,2017 (Rs.)	Year Ended March 31,2016 (Rs.)	PAYMENT	Year Ended March 31,2017 (Rs.)	Year Ended March 31,2016 (Rs.)
<b>Opening Balance</b>			<b>Capital Expenditures</b>		
Cash in Hand	49,926	18,916	Purchase of Fixed Assets	1,46,98,108	10,16,375
<b>Bank Balances</b>			<b>Revenue Expenditures</b>		
- Term Deposit Accounts	1,96,96,62,321	1,49,47,96,288	Technical Service Charges	13,87,15,388	11,50,22,675
- Current Accounts	53,96,392	5,89,00,506	Rack Space Charges	55,43,577	56,75,918
- Savings Accounts	80,58,396	1,32,41,735	Operating Charges	8,64,029	11,76,459
<b>Revenue Receipt</b>			Bandwidth Charges	71,964	4,41,310
Membership Fees	74,005	57,000	APNIC Membership Fees	85,46,496	82,29,224
Registration Charges	54,91,72,488	46,41,92,031	Salaries and Allowances	19,92,275	35,40,427
Connectivity Charges	2,66,38,139	2,07,74,106	Contractual Employee Cost	1,19,99,866	89,38,329
Data Differential Charges	19,40,361	37,96,394	Contribution to ESIC & EPF	2,06,424	37,857
Affiliation Charges	7,01,99,758	4,78,68,210	Provision for Gratuity (Ref. note -32)	27,78,297	-
Joining Fees	10,000	8,000	Staff Welfare Expenses	7,54,682	11,48,483
Accreditation Fees	6,50,000	2,50,000	Professional & Contractual Expenses	26,68,570	36,49,424
Interest Earned	15,54,06,990	14,06,42,735	Legal and Consultancy Charges	45,39,241	45,81,912
Miscellaneous Income	11,45,955	19,35,165	Audit Fees	2,73,000	2,31,000
<b>Working Capital Adjustments</b>			Conferences & Seminar Activities	81,242	71,100
Increase in Current Liabilities	-	4,92,10,967	Grant and Sponsorship Fees	2,05,21,726	80,93,029
Increase in Non Current Liabilities	1,60,19,560	1,97,51,216	Promotional Incentives	35,87,084	2,95,28,704
Decrease in Trade Receivable	97,21,729	-	Other Promotional Activity	3,12,100	67,27,475
<b>Revenue Grant</b>			Rent Paid	56,40,000	60,29,380
Grant received	-	1,15,00,000	Travelling & Conveyance Expenses	55,43,474	1,39,63,932
Add: Interest Received	4,28,254	2,00,941	Repairs and Maintenance Expenses	-	-
Less: Utilisation during the year	(56,22,928)	(1,16,96,147)	- Building	9,31,054	12,56,877
			- Equipment	18,58,222	12,92,735
			- Software	8,400	2,40,000
			- Others	2,33,389	3,17,555
			Postage and Communication Expenses	11,79,502	12,62,293
			Office Expenses	41,09,562	34,24,247
			Subscription & Membership Charges	8,53,652	17,40,415
			CSR Expenses	1,59,79,637	-
			Advertisement Expenses	4,97,877	82,979
			Provision for Expenses	26,70,500	-
			Miscellaneous Expenses	10,31,314	3,03,048
			Prior Period Expenses	2,56,505	2,16,220
			Promotional Incentives (Out of Marketing Fund)	5,64,39,365	5,09,01,501
			<b>Working Capital Adjustments</b>		
			Increase in Trade Receivable	-	47,60,998
			Increase in Current Assets	1,28,54,950	37,22,530
			Increase in Loan & Advances	5,71,52,320	4,46,56,617
			Decrease in Current Liabilities	82,63,822	-
			<b>Closing Balance</b>		
			Cash in Hand	9,469	49,926
			<b>Bank Balances</b>		
			- Term Deposit Accounts	2,38,87,10,724	1,96,96,62,321
			- Current Accounts	1,14,81,352	53,96,392
			- Savings Accounts	1,50,92,187	80,58,396
<b>Total</b>	<b>2,80,89,51,346</b>	<b>2,31,54,48,062</b>	<b>Total</b>	<b>2,80,89,51,346</b>	<b>2,31,54,48,062</b>
Significant Accounting Policies	1				
Other Notes to Accounts	19 to 34				
For and on behalf of board of directors			As per attached Report of even date for K.G.Somani & Co. Chartered Accountants Firm Registration No.06591N		
 CEO	 Director Dilip Barmay DIN: 07322268	 Director Omkar Rai DIN: 01364223	 CA Bhuvnesh Maheshwari Partner Membership No. - 088155		
Place : New Delhi Dated : 29-09-2017					



**NATIONAL INTERNET EXCHANGE OF INDIA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2017**  
**CIN-U72900DL2003NPL120999**

Particular	For the year ended March 31, 2017 (Rs)	For the year ended March 31, 2016 (Rs)
<b>(A) Cash from operational activities</b>		
Surplus from operational activities	49,83,32,798	39,99,78,394
Adjustments for		
Depreciation	60,30,686	14,20,740
Interest Earned	(15,54,06,990)	(14,06,42,735)
Appropriation to Marketing Fund (net of utilisations made)	-	(13,92,21,995)
<b>Operational Surplus before working capital changes</b>	<b>34,89,56,493</b>	<b>26,07,56,399</b>
(Increase)/Decrease in Receivables	97,21,729	(47,60,998)
(Increase)/Decrease in Other Current Assests	(1,26,69,152)	(37,22,529)
(Increase)/Decrease in Loans & Advances	(5,71,52,320)	(4,46,56,617)
Increase/(Decrease) in Current liabilities	(82,63,822)	4,92,10,967
Increase/(Decrease) in Non Current liabilities	1,60,19,559	1,58,22,039
<b>Net cash from operating Activities</b>	<b>29,66,12,487</b>	<b>27,65,78,438</b>
<b>(B) Cash Flow from Investing Activities</b>		
Interest Earned	15,54,06,990	14,06,42,735
Purchase of Fixed assets	(1,46,98,108)	(10,16,375)
<b>(C) Cash flow from Financing Activities</b>		
Revenue Grant received from DeitY	-	1,15,00,000
Interest Earned	4,28,254	2,00,941
Expenses incurred in IIGF adjusted with Revenue Grant	(56,22,928)	(1,16,96,147)
<b>Net Increase in Cash and Cash Equivalent</b>	<b>43,21,26,696</b>	<b>41,62,09,592</b>
Cash and Cash equivalent at the beginning of the Period	1,98,31,67,035	1,56,69,57,443
Cash and Cash equivalent at the end of the Period	<b>2,41,52,93,731</b>	<b>1,98,31,67,035</b>

**Notes:**

1	Cash and cash equivalent includes		
	Cash in Hand	9,469	49,926
	Current Accounts	1,14,81,352	53,96,392
	Saving Accounts	1,50,92,187	80,58,396
	Terms Deposits (Original maturity - period up to 3 months)	42,99,11,001	51,64,96,418
	Cash and cash equivalents at the year end	(A) 45,64,94,009	53,00,01,132
	Other Bank Balances		
	Terms Deposits (Original maturity - period more than 3 months)	(B) 1,95,87,99,723	1,45,31,65,903
	Cash and Bank Balance at the year end	(A) + (B) 2,41,52,93,732	1,98,31,67,035

- 2 The above Cash Flow Statement has been prepared under the (Indirect Method) as set out in the Accounting Standard 3 on Cash Flow Statement issued by the Companies (Accounting Standards) rules, 2014.
- 3 Figures in bracket indicate cash outflow.
- 4 Previous year's figures have been rearranged/regrouped/reclassified wherever necessary.

For and on behalf of board of directors

  
CEO

  
Director  
Dilip Basme  
DIN: 07322268

  
Director  
Omkar Rai  
DIN: 01364223

As per attached Report of even date  
for K.G.Somani & Co.  
Chartered Accountants  
Firm Registration No.06591N

CA Bhuvnesh Maheshwari  
Partner  
Membership No. - 088155



Place : New Delhi  
Dated : 29-09-2017

**NATIONAL INTERNET EXCHANGE OF INDIA**
**CIN-U72900DL2003NPL120999**

Particulars	AS AT	AS AT
	March 31,2017 (Rs.)	March 31,2016 (Rs.)
<b>Note 2: Grant Fund</b>		
<b>Capital Grants</b>		
Balance brought forward from previous year	13,04,601	13,04,601
	13,04,601	13,04,601
<b>Revenue Grants</b>		
Balance brought forward from previous year	61,70,585	61,65,791
Add: Received during the year (IIGF Project)	-	1,15,00,000
Add: Interest Earned	4,28,254	2,00,941
	65,98,839	1,78,66,732
Less: Utilisation during the year	56,22,928	1,16,96,147
	9,75,911	61,70,585
	<b>22,80,512</b>	<b>74,75,186</b>
<b>Note 3: Reserves &amp; Surplus</b>		
<b>Reserve &amp; Surplus - Statement of Income and Expenditure</b>		
Balance Brought forward from previous year	1,79,48,08,998	1,39,48,30,604
Add: Surplus brought down from Statement of Income and Expenditure	49,83,32,798	39,99,78,394
	2,29,31,41,795	1,79,48,08,998
<b>Marketing Fund (Refer Note No.21)</b>		
Balance brought forward from previous year	7,36,53,341	7,36,53,341
Add: Transferred from Statement of Income and Expenditure	5,64,39,365	5,09,01,501
Less: Utilised during the year	5,64,39,365	5,09,01,501
	7,36,53,341	7,36,53,341
	<b>2,36,67,95,136</b>	<b>1,86,84,62,339</b>
<b>Note 4: Non Current Liabilities</b>		
Other Long Term Liabilities		
- Registration Fees Received in advance	13,89,54,587	12,52,29,220
Long Term Provisions		
- Retirement Benefits	22,94,194	-
	<b>14,12,48,781</b>	<b>12,52,29,220</b>
<b>Note 5: Trade Payables</b>		
- Technical Service Charges Payable	1,42,38,453	3,27,37,960
- Operational Charges Payable	36,94,836	24,48,766
- Other Operational Charges Payables	4,48,186	6,51,558
<b>Total</b>	<b>1,83,81,475</b>	<b>3,58,38,284</b>
<b>Note 6: Other Current Liabilities</b>		
- Registration Fees & Affiliation Fees Received in Advance	35,14,91,727	31,53,75,381
<b>Other Payables</b>		
- Advance from ISP/Registrars/Affiliates	5,77,07,673	6,70,83,710
- Data Transfer Differentials Dues (Net of Receivables, Refer Note No. 19 & 20 (a))	4,35,72,487	5,83,60,027
- Statutory dues	89,17,187	1,57,49,545
- Others	1,61,29,953	1,25,66,229
<b>Total</b>	<b>47,78,19,027</b>	<b>46,91,34,892</b>
<b>Note 7 : Short Term Provisions</b>		
- Leave Encashment	2,22,750	
- Retirement benefits	4,84,103	
	<b>7,06,853</b>	



**NATIONAL INTERNET EXCHANGE OF INDIA**  
**CIN-U72900DL2003NPL120999**

**Note 8: Fixed Assets**

GROSS BLOCK					DEPRECIATION		NET BLOCK		Amount (Rs.)
ASSETS	AS ON	Additions	AS ON	AS ON	For the	AS ON	AS ON	AS ON	
	01.04.2016		31.03.2017	01.04.2016	Year	31.03.2017	31.03.2017	31.03.2016	
<b>Tangible Assets:</b>									
Air Conditioners	13,88,988	-	13,88,988	13,19,539	-	13,19,539	69,449	69,449	
Computers, Routers & Servers	7,19,77,179	1,46,36,139	8,66,13,318	6,77,47,649	41,70,321	7,19,17,970	1,46,95,348	42,29,530	
Furniture & Fixtures	2,91,531	-	2,91,531	72,871	56,763	1,29,634	1,61,897	1,90,553	
Office Equipments	11,30,985	61,969	11,92,954	7,75,912	1,59,990	9,35,902	2,57,052	3,83,180	
<b>Total A</b>	<b>7,47,88,683</b>	<b>1,46,98,108</b>	<b>8,94,86,791</b>	<b>6,99,15,971</b>	<b>43,87,074</b>	<b>7,43,03,045</b>	<b>1,51,83,746</b>	<b>48,72,712</b>	
<b>Intangible Asset</b>									
Software	65,39,529	-	65,39,529	46,95,463	16,43,612	63,39,075	2,00,454	18,44,066	
<b>Total B</b>	<b>65,39,529</b>	<b>-</b>	<b>65,39,529</b>	<b>46,95,463</b>	<b>16,43,612</b>	<b>63,39,075</b>	<b>2,00,454</b>	<b>18,44,066</b>	
<b>Grand Total</b>	<b>8,13,28,212</b>	<b>1,46,98,108</b>	<b>9,60,26,320</b>	<b>7,46,11,434</b>	<b>60,30,686</b>	<b>8,06,42,120</b>	<b>1,53,84,200</b>	<b>67,16,778</b>	
Previous Year	8,03,11,837	10,16,375	8,13,28,212	7,31,90,694	14,20,740	7,46,11,434	67,16,778		



*(Signature)*

NATIONAL INTERNET EXCHANGE OF INDIA			
CIN-U72900DL2003NPL120999			
Particulars	AS AT	AS AT	
	March 31,2017	March 31,2016	
	(Rs.)	(Rs.)	
<b>Note 9 : Long Term Loans and Advances</b>			
(Unsecured, considered good unless otherwise stated)			
- Income-tax/TDS Recoverable	38,47,31,335	32,75,79,015	
	<b>38,47,31,335</b>	<b>32,75,79,015</b>	
<b>Note 10 : Trade Receivables</b>			
<b>Outstanding for a period exceeding six months from the due date</b>			
(Unsecured, considered good)	93,01,336	1,43,26,208	
<b>Others</b>			
(Unsecured, considered good)	93,02,263	1,39,99,120	
	<b>1,86,03,599</b>	<b>2,83,25,328</b>	
<b>Note 11 : Cash &amp; Bank Balances</b>			
Cash & Cash Equivalents			
b) Cash in Hand	9,469	49,926	
a) Balance with Banks			
- in Current Accounts	1,14,81,352	53,96,392	
- in Savings Accounts	1,50,92,187	80,58,396	
- in Sweep Deposit Accounts	9,51,03,082	4,27,63,595	
- in Terms Deposit (maturity within 3 months)	33,48,07,919	47,37,32,823	
	45,64,94,009	53,00,01,132	
<b>Other Bank Balances</b>			
Term Deposits with Banks (maturity beyond 3 months)	1,95,87,99,723	1,45,31,65,903	
<b>Total</b>	<b>2,41,52,93,732</b>	<b>1,98,31,67,035</b>	
<b>Note 12 : Short Term Loans &amp; Advances</b>			
Advances Recoverable in Cash or in Kind (Refer Note No. 20 (a) & (b))			
Unsecured, considered good	3,35,15,348	2,85,01,364	
Unsecured, considered doubtful	1,85,798	-	
Less: Provision for Doubtful Advances	(1,85,798)	-	
	3,35,15,348	2,85,01,364	
Prepaid Expenses	46,46,055	17,27,791	
Taxes and Duties Recoverable (Unsecured, considered good)			
- CENVAT Credit	68,31,298	1,28,33,907	
	<b>4,49,92,701</b>	<b>4,30,63,062</b>	
<b>Note 13 : Other Current Assets</b>			
Technical Service Charges Paid in Advance	7,17,65,776	6,45,97,343	
Interest Accrued on Term Deposits with Banks	5,64,60,441	5,28,89,361	
	<b>12,82,26,217</b>	<b>11,74,86,704</b>	

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NATIONAL INTERNET EXCHANGE OF INDIA			
CIN-U72900DL2003NPL120999			
		Year Ended March 31, 2017 (Rs.)	Year Ended March 31, 2016 (Rs.)
<b>Note:14 Revenue from Operations</b>			
- Membership Fees		74,005	57,000
- Registration Charges		54,91,72,488	46,41,92,032
- Connectivity Charges		2,66,38,139	2,07,74,106
- Data Transfer Differential Charges		19,40,361	37,96,394
- Affiliation Fees		7,01,99,758	4,78,68,210
<b>Total</b>		<b>64,80,24,751</b>	<b>53,66,87,742</b>
<b>Note:15 Other Income</b>			
Joining Fees		10,000	8,000
Accreditation Fee		6,50,000	2,50,000
Interest Earned		15,54,06,990	14,06,42,735
Miscellaneous Income		11,45,955	19,35,165
<b>Total</b>		<b>15,72,12,945</b>	<b>14,28,35,900</b>
<b>Note:16 Operational Expenses</b>			
Technical Service Charges		13,87,15,388	11,50,22,675
Rack Space Charges		55,43,577	56,75,918
Operating Charges		8,64,029	11,76,459
Bandwidth Charges		71,964	4,41,310
APNIC Membership Fees		85,46,496	82,29,224
<b>Total</b>		<b>15,37,41,454</b>	<b>13,05,45,586</b>
<b>Note:17 Employee Benefits Expense</b>			
Salaries and Allowances		19,92,275	35,40,427
Contractual Employee Cost		1,19,99,866	89,38,329
Contribution to ESIC & EPF		2,06,424	37,857
Provision for Gratuity (Ref. note -32)		27,78,297	-
Staff Welfare Expenses		7,54,682	11,48,483
<b>Total</b>		<b>1,77,31,544</b>	<b>1,36,65,096</b>
<b>Note:18 Other Expenses</b>			
Professional & Contractual Expenses		26,68,570	36,48,524
Legal and Consultancy Charges		45,39,241	45,81,912
Audit Fees		2,73,000	2,31,900
Conferences & Seminar Activities		81,242	71,100
Grant and Sponsorship Fees		2,05,21,726	80,93,029
Marketing Expenses (including rebates)	6,00,26,449		8,04,30,205
Less: Recovered from Marketing Fund Reserve	5,64,39,365	35,87,084	2,95,28,704
Other Promotional Activity		3,12,100	67,27,475
Rent Paid		56,40,000	60,29,380
Travelling & Conveyance Expenses		55,43,474	1,39,63,932
Repairs and Maintenance Expenses			
- Building		9,31,054	12,56,877
- Equipment		18,58,222	12,92,735
- Software		8,400	2,40,000
- Others		2,33,389	3,17,555
Postage and Communication Expenses		11,79,502	12,62,293
Office Expenses		41,09,562	34,24,247
Subscription & Membership Charges		8,53,652	17,40,415
CSR Expenses (Ref. note no.-31)		1,59,79,637	-
Advertisement Expenses		4,97,877	82,979
Provision for Doubtful Advances		1,85,798	-
Provision for Expenses		26,70,500	-
Miscellaneous Expenses		10,31,314	3,03,048
<b>Total</b>		<b>7,27,05,344</b>	<b>8,27,96,105</b>

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Note: 1

**SIGNIFICANT ACCOUNTING POLICIES**

i) **Financial Statements**

The financial statements have been prepared on accrual basis following the historical cost convention and as a going concern. These statements are prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

Accounting policies not referred to otherwise are consistent with generally accepted accounting principles and the provisions of the Companies Act, 2013.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy (ies) wherever required.

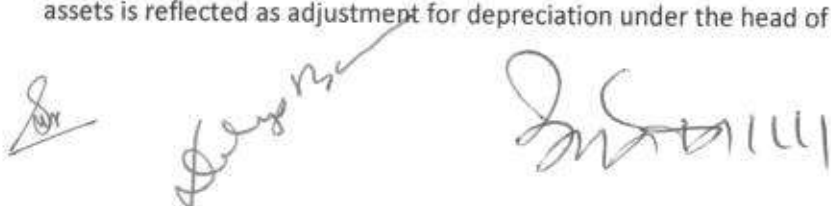
ii) **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

iii) **Government Grants**

The grants-in-aid received from Govt. of India, Ministry of Communications, is segregated into capital and revenue grants based on the budgeted cost estimates provided to the concerned ministry and utilized for the purpose for which it is being given. Grant, if any, remaining unutilized is shown under the head "Capital Fund".

The assets acquired under the capital grant are capitalized and amortized over the useful life of the assets as prescribed under schedule – II of Companies Act, 2013. The amortization of these assets is reflected as adjustment for depreciation under the head of Capital Grants.







The interest earned through deposit of the grants is disclosed separately under the Government grants in balance Sheet as an addition to such grant.

iv) **Fixed Assets**

Fixed Assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost comprises purchase price and any other cost attributable to bringing the asset to its working condition / intended use. An intangible asset is recognized only where it is possible that future economic benefits attributable to the asset will accrue to the enterprise and cost can be measured reliably. Intangible assets are shown under development till the completion. All the incidental costs including depreciation attributable to the development of asset are included in the development cost.

v) **Depreciation**

- a) Depreciation on fixed assets is provided from the date on which assets are put to use, on written down value method, as per the useful life of assets prescribed under Schedule II of the Companies Act, 2013. Depreciation on assets disposed off is provided up to the date of disposal.
- b) Computer Software, recognized as intangible asset, is amortized on written down value method on pro-rata basis over a period of ten years.

vi) **Employee Benefits**

The employee benefits comprising of statutory benefits i.e. Provident fund, Employee state Insurance available to employees (including those engaged on contract basis) as per the requirements of respective statues and leave encashment are being charged to Income and expenditure Account on accrual basis. The provision for gratuity is created in terms of 'The Payment of Gratuity Act, 1972' for all the eligible employees considering the period of their association with the company.

vii) **Income recognition**







- a) Membership fee is recognized on accrual basis. The fee, if any, received in advance, is however carried forward as a liability, to be reckoned as income of the relevant year to which it pertains.
- b) Income from all of the operations (Exchange, Registry & NIR), including Data Transfer Differential Charges and all other income are recognized on accrual basis.
- c) Arbitration Income is accounted for upon settlement of the proceedings.

viii) **Technical Services Payments**

Technical Services Fee payments to the service provider are related to period for which services are received and the amount, if any, remaining unadjusted, is carried forward and disclosed separately under the head "Other Current Assets".

ix) **Grants Paid**

The Grants paid by the company for the projects funded by it are charged off to expenses in the year in which the projects so funded, are approved as completed by the company.



#### OTHER NOTES TO ACCOUNTS

19. Following the routing and tariff policy in force and the decision of Board of Directors the data transfer charges {representing charges receivables amounting to Rs.1204.96 lakhs (Previous year Rs.1512.99 lakhs) reduced by charges payable amounting to Rs.1640.69lakhs (Previous yearRs.2096.59lakhs), from and to ISPs respectively} are grouped together and the net resultant balance is shown under liability/assets as the case may be. The amount of charges Rs.19.40lakhs {Previous Year Rs.37.96lakhs} identified as not payable during the year due to application of P factor (used in the calculation of payment for inter connection between the ISPs) is carried to Income under data transfer differential charges.
20. a) The outgoing data transfer charges amounting to Rs. 1022.23 lakhs (previous year Rs.1394.21 lakhs) including the service tax levy of Rs.137.89 (previous year Rs.181.07 lakhs) and impact of tax deducted at source have been recorded on provisional basis, due to pending untimely / non-receipt of invoices from the concerned ISPs, many of these invoices have been received/ are in process of receipt in subsequent period. This also includes amount of Rs.175.41 lakhs (previous year Rs.345.10 lakhs) relating to data transfer charges pertaining to previous financial year. Further the CENVAT credit amounting to Rs.137.89 lakhs (previous year Rs.181.07 lakhs) on such invoices has been reflected in Advances Recoverable in cash or in kind under Short Term Loans and Advances. The amount of such CENVAT Credit shall be eligible on receipt of the invoices in subsequent period and the same will be accounted for accordingly.
- b) The CENVAT Credit amounting to Rs.29.29 lakhs (previous year Rs 38.69 Lakhs) availed by the company has been reversed and reflected in Advance Recoverable in Cash or in kind under Short Term Loans and Advances due to non-payment of dues on account of pending settlements of data transfer invoices received from the respective ISPs within three months from the date of Invoice. This CENVAT Credit will be re-availed as and when the payment is made on such settlement.
21. In accordance with the agreement entered into between NIXI and its service provider for provision of Technical services, the charges to Technical Service Provider (TSP) were paid in

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terms of the said agreement after transferring certain specified amount to an account titled "Marketing Fund" for use as specified in the agreement. The balance at the close of the year in the account stands at Rs. 736.53 lakhs (previous year Rs. 736.53 lakhs). This represents the amount lying to the credit of Marketing Fund as on Dec 31, 2012, the date of expiry of the earlier contract with TSP. Pending the manner of settlement with TSP, these unutilized funds have been reflected under marketing fund only. The amount of Rs.564.39lakhs (previous year Rs.509.02 lakhs) credited to the marketing reserve during the year as per the terms and condition of the new agreement with TSP effective from January 01, 2013 has been utilized during the year for marketing activities.

22. a) The Company is registered under Section 25 of the Companies Act, 1956 (now section 8 of the Companies Act, 2013) and also under Section 12AA of the Income Tax Act, 1961 and is therefore, exempt from income tax under Section 11 &12 of the Income Tax Act, 1961. Therefore, no provision for income tax has been considered necessary and also the provisions of the Accounting Standard-22 on 'Accounting for Taxes on Income' are not applicable to the Company.
- b) The income-tax department has also issued a show cause notice for withdrawal of the exemption granted u/s 12 A of Income Tax Act, 1961 which has been contested by the Company. Based on the legal opinion and subsequent legislative amendments, the management is of the view that the activities of the Company fall under the revised provisions of Sec 2 (15) of the Act and therefore, the exemption available to the Company shall continue to exist. There has been no further communication received from Income Tax Department in their regard changing the financial year
- c) The Company has also filed an application u/s 10(46) of the Income Tax Act for seeking income tax exemption for activities of the Company which is pending for disposal. The response from the office of CBDT is awaited till date.
- d) The income tax assessment has been completed up to A.Y. 2014-15. The appeals filed with CIT (Appeals) for the Assessment year 2009-10 to 2012-13 have been decided in favor of company. The appeal filed by the Income Tax department with ITAT against the order of CIT (Appeals) for Assessment Year 2009-10 has also been decided in favour of the company. The appeals for

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assessment year 2013-14 and 2014-15 have been heard by CIT (Appeals) order for the same is awaited. Based on the decisions of ITAT for Assessment year 2009-10 and CIT (Appeals) for Assessment year 2010-11 to 2012-13, in favor of company, no provision for the additional demand and interest thereon has been made in the accounts. Income Tax Department has gone in appeal with ITAT against the order of CIT (Appeals) for Assessment Years 2010-11 to 2012-13. Pending the decision of ITAT, the amount lying as recoverable from Income Tax Department has been clubbed with refund due from department and shown as recoverable under long term loan and advances. The amounts of Rs.3852.36 lakhs (previous year 2737.22lakhs) on account of demands being raised and appeal filed by the department have been considered as contingent liability.

- e) The company's appeals against the service tax assessments up to the year 2010 are pending before CESTAT (Appeals). Pending the disposal of appeals, no provision of Rs.654.80 lakhs, interest and penalty thereon has been made in the accounts. The company has been issued show cause cum demand notice amounting to Rs. 738.45 lakhs for the period of April 2010 to June 2012. Based on legal examination and opinion, the company is of the opinion that there is a strong case of dropping of the demand at both CESTAT and commissioner level. Therefore, no provision has been created for the demand and interest thereon and penalties, if any. Both the amounts aggregating to Rs.1393.25 Lakhs (previous year Rs.1393.25 Lakhs) have however been considered as contingent liability. The company has got the stay order from CESTAT (till disposal of the appeal) for payment of Service Tax liability imposed by department.
23. In the opinion of the board of directors of the Company, the value on realization of current assets, loans and advances in the ordinary course of activities of the Company would not be less than the amount at which they are stated in the Balance Sheet and provision for all known liabilities has been made.
24. During the year Company has made purchases of operational equipment for replacing the existing equipment at various locations. In order to ascertain the usage of the old equipment for operational purposes, the process of technical evaluation has been initiated. Pending, outcome of the evaluation, the assets have been continued to be shown as fixed assets and depreciation charged at the prescribed rates. The Company is of the view that there is no material



impairment of assets and as such no provision is required in terms of Accounting Standard-28 on "Impairment of Assets".

25. Based on the information available with the Company, no balance is due to Micro & Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31<sup>st</sup> March 2017. Further during the year no interest has been paid, accrued or payable under the terms of the said Act.
26. a) Claims against the company not acknowledged as debts Rs.11.10 lakhs (Previous year Rs.3.40lakhs) excluding those disclosed elsewhere in these notes to accounts.
27. Earnings and Expenditure in foreign currency (on cash basis):

(Amount in lakhs)			
Sr.No.	Particular	Current Year	Previous Year
1	Earning in Foreign Currency		
	- From Registry Operation *	176.86	154.12
2	Expenditure in Foreign Currency		
	- Travelling Expenses	6.40	22.62
	(net of surrender of foreign exchange)		
	- Subscription & Sponsorship	94.48	106.36
	- Other payment	0	1.65

\*(represents the total collections, including money in transit made in foreign currency to be proportionately allocated as income over the period of domain registered)

28. In respect of provisions/payments made to members for services availed during the course of the company's operation, the management is of the view that taking into consideration the procedure followed, the transactions are on arm's length basis and no benefit in money or money's worth have been given or accrued to any of its members.
29. Legal and Professional charges include amount paid/payable to statutory auditors towards:

(Amount in lakhs)		
Particular	Current Year	Previous Year
Audit Fees (excluding service tax)	2.47	2.25
Reimbursement of expenses	0.25	0.35
<b>Total</b>	<b>2.73</b>	<b>2.60</b>

30. Balances of accounts with some of the parties having debit/credit balances are subject to confirmation/ reconciliation. The impact, if any, subsequent to the reconciliation is to be taken

*[Signature]*

*[Signature]*

*[Signature]*



in the year in which the confirmation/reconciliation is carried out. The impact of these reconciliation is not likely to be significant.

31. During the year, the company has completed the CSR compliance for earlier period of 2014-15 and 2015-16 along with compliance for the financial year 2016-17. The year wise requirement and actual spending on CSR activities is as follows:

**Financial Year 2014-15**

**CSR Liability Rs.42.59 lakhs**

S.No	Particular	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above (P.M. National Relief Fund)	42.59 lakhs	-	42.59 lakhs
		42.59 lakhs	-	42.59 lakhs

**Financial Year 2015-16**

**CSR Liability Rs.54.29 lakhs**

S.No	Particular	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above (P.M. National Relief Fund)	54.29 lakhs	-	54.29 lakhs
		54.29 lakhs	-	54.29 lakhs

**Financial Year 2016-17**

**CSR Liability Rs.62.91 lakhs**

S.No	Particular	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above (Contribution to Technology incubator located within academic institution approved by Central Government)	62.91 lakhs	-	62.91 lakhs
		62.91 lakhs	-	62.91 lakhs

During the year, the company has also completed the compliance in regard to formation of CSR committee and CSR policies.

32. The company has engaged most of the persons on contractual basis. During this year, Company has obtained a legal opinion in regard to applicability of employee benefits. In term of opinion, various employee benefit statutes are applicable to company, considering the nature of the engagement of all the contractual employees with company. Based on the opinion, a provision of Rs.27.79 lakhs have been created during the year 2016-17 towards retirement benefits. The

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provision for gratuity is created in terms of 'The Payment of Gratuity Act, 1972' for all the eligible employees considering the period of their association with the company.

33. Disclosure on Specified Bank Notes (SBNs)

During the year the company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R 308 (E) dated 31st march 2017, on the details of specified bank notes (SBNs) held and transacted during the period from 8th November,2016 to 30th December,2016, the denomination wise SBNs and other notes as per notification is given below:

Particulars	SBNs*	Other denomination notes	Total
Closing Cash in hand as on 8 <sup>th</sup> November, 2016	59,500	13812	73312
(+) Permitted receipts	-	1,17,534	1,17,534
(-) Permitted payment	-	56,231	56,231
(-) Amount deposit in banks	59,500	53,652	113152
Closing cash in hand as on 30 <sup>th</sup> December,2016	0	21,463	21,463

For the purpose of this clause 'Specified bank notes ' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November 2016.

34. The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.







## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details.

Registration No.  State code

Balance Sheet

Date Month Year

### II. Capital raised during the year (Amount in Rs.).

Public Issue

Business Issue

Rights Issue\*\*

Private Placement

### III. Position of Mobilization and Deployment of Funds (Amount in Rs.).

Total Liabilities

Total Assets

#### Sources of Funds

Paid-up Capital

Secured Loan

Reserves Surplus

Unsecured Loans

#### Application Funds

Net Fixed Assets

Net Current Assets

Investments

Deferred Revenue Charges

#### Accumulated Losses

### IV. Performance of Company (Amount in Rs.)

Turnover

Total Expenditure\*

\*(excluding the appropriation of Rs.5,64,39,365/- and Prior Period Expenses of Rs.2,56,505/-)

Income/Expenditure before tax

(Please tick appropriate box +for Profit, -for Loss)

Earning per Share in Rs.

Income/Expenditure after tax

Dividend rate %

### V. Generic Name of Three Principal Products/Services of Company (as Per Monetary terms)

Item Code No.  
(ITC Code)

Product


**National Internet Exchange of India**

Regd. Off.: 6C, 6D, 6E, Hansalaya Building,  
15, Barakhamba Road, New Delhi-110001  
Tel.: +91-11-48202000, Fax: +91-11-48202013  
CIN-U72900DL2003NPL120999  
www.nixi.in, www.registry.in, www.irinn.in


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(ITCCode)Three horizontal rows of empty boxes for writing, each row containing 15 boxes.

Item Code No.  
(ITC Code)



*S.*

Sly Bar

Indira

**Proxy Form**  
**Form No. MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the  
Companies (Management and Administration) Rules, 2014]

**CIN:** U72900DL2003NPL120999

**Name of the Company:** National Internet Exchange of India

**Registered Office:** Flat No. 6C, 6D & 6E, 6<sup>th</sup> Floor, Hansalya building, 15,  
Barakhamba Road, New Delhi-110001

Name of the Member(s) :	
Registered Address :	
E-mail ID :	
Folio No.:	
DP ID:	NA

I/We ....., being the member (s) of the above named company, hereby appoint:

1. Name: .....

Address: .....

Email Id: .....

Signature: ....., or failing him

2. Name: .....

Address: .....

Email Id: .....

Signature: ....., or failing him

3. Name: .....

Address: .....

Email Id: .....

Signature: .....

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, the 28<sup>th</sup> day of December

2017 at 11:00 a.m. at Ministry of Electronics & Information Technology (MeitY), Conference Room 1007, Electronics Niketan, 6, CGO Complex, Lodhi Road, New Delhi –110003. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

- 1) To receive, consider & adopt the Audited Balance Sheet as on March 31, 2017 (including the statement of Income and Expenditure and all the necessary documents required by law to be annexed to the Balance sheet) and the Report of Board of Directors and Auditors thereon.
- 2) To appoint new auditor in place of retiring auditor and to fix their remuneration.
- 3) To conduct the Election of Directors among the Ordinary Members of the Company and declaration of the result.
- 4) Appointment of Sanjay Kumar Rakesh, CEO, NIXI as a Co-opted Director of the Company.
- 5) Appointment of DG, CERT-In, Dr. Sanjay Bahl as a Co-opted Director of the Company.
- 6) Ratification of the resolution passed by the Board of Directors regarding the joining/ leaving of the members of the Company during the year.

Signed this ----- day of-----2017

Signature of Member(s):

Affix a Revenue Stamp

Signature of Proxy holder:

**Notes :**

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Flat No. 6C, 6D & 6E, 6<sup>th</sup> Floor, Hansalya building, 15, Barakhamba Road, New Delhi-110001 not less than Forty-Eight hours before the commencement of the Meeting.
2. A member shall not be entitled to appoint any other person as his proxy unless such other person is also a member of such company.
3. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the Meeting.

**ATTENDANCE SLIP**  
**NATIONAL INTERNET EXCHANGE OF INDIA**

<b>Folio No.:</b>	
<b>Name of the Member(s):</b>	
<b>Address of the Member(s):</b>	

I /We hereby record my/our presence at the 14<sup>th</sup> ANNUAL GENERAL MEETING being held on Thursday, the 28<sup>th</sup> day of December 2017 at 11:00 a.m. at Ministry of Electronics & Information Technology (MeitY), Conference Room 1007, Electronics Niketan, 6, CGO Complex, Lodhi Road, New Delhi –110003.

Signature of the Member/Proxy present

**Note:**

1. Member / Proxy holder wishing to attend the meeting must bring the Attendance Slip, duly signed, to the meeting and hand it over at the entrance of the meeting venue.
2. Member / Proxy holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.