

nixi

भारत



15TH ANNUAL REPORT
2017-2018



NATIONAL INTERNET EXCHANGE OF INDIA

CIN: U72900DL2003NPL120999

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BOARD OF DIRECTORS

Shri Ajay Prakash Sawhney
Ms Anuradha Mitra
Shri Gopalakrishnan S
Shri Sanjay Kumar Rakesh
Shri Rajesh Chharia
Dr. Sanjay Bahl
Prof. Abhay Karandikar
Dr. Omkar Rai
Shri M.P.Vijay Kumar
Shri Anil Kumar Jain
Shri R.S. Mani
Shri Dilip Kumar Barman
Shri Pinkesh Narendrabhai Kotecha
Shri S R Sayal
Shri Jagmohan Singh

CHIEF EXECUTIVE OFFICER

Shri Sanjay Goel

AUDITORS

M/s S.S.Kothari Mehta & Co.

REGISTERED OFFICE

Flat No. 6C, 6D & 6E,
6th Floor, Hansalya building,
15, Barakhamba Road,
New Delhi-110001

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: Eight Internet Exchange Nodes are functional at Delhi (Noida), Mumbai, Chennai, Kolkata, Hyderabad, Bengaluru, Ahmedabad and Guwahati. 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, 63 ISPs with 125 connections are connected with the various nodes of NIXI. The aggregated maximum traffic exchanged at all the nodes is 127 Gbps as on end November 2018.

.IN Registry: .IN Registry functions with primary responsibility for managing Country Code Top Level Domains (ccTLDs). Registration of .IN domain has crossed the 1.975 million mark in November 2018. Presently, 128 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.

.Bharat IDN in Indian languages:

Internationalized Domain Names (IDNs) are domain names represented in local language characters. IDNs will increase the penetration of the Internet through use of local languages and local content.

भारत domain name in Devanagari script was successfully launched on 27th August 2014 by Hon'ble Minister of Electronics & Information Technology, and Minister for Law & Justice, Mr. Ravi Shankar Prasad..

Today IDNs are available in 7 scripts or 15 languages. The Devanagari script covers Hindi, Dogri, Bodo, Konkani, Maithili, Marathi, Nepali and Sindhi Language. Other languages are Bengali, Manipuri in Bengali script, Gujarati, Punjabi, Tamil, Telugu & Urdu.

Internet Corporation for Assigned Names and Numbers (ICANN) has recently approved and delegated IDNs in all the remaining Indian languages i.e. Assamese, Kannada, Oriya, Malayalam, Santali, Sanskrit, Sindhi, Kashmiri.

The API (Application Programming Interface) for these 08 languages to make these IDNs also operational has been developed by C-DAC under MeitY direction. Once these get integrated in Registry, IDNs will be available in all the official languages.

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. IRINN is recognized by APNIC (Asia Pacific Network Information Centre) as a NIR for India.

Since its launch in 2012, NIR has registered impressive growth; the numbers of affiliates registered are 2600 as on 30th November, 2018.

NOTICE

Notice is hereby given that the 15th Annual General Meeting of the members of the Company will be held as under:

Day : Thursday

Date : 27th December, 2018

Time : 10:00 a.m.

Venue : Ministry of Communications and Information Technology, Conference Room 1007, Electronics Niketan, 6, CGO Complex, Lodi Road, New Delhi –110003.

To transact the following business:

1) To receive, consider & adopt the Audited Balance Sheet as on March 31, 2018 (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 Re-appoint Auditors and to fix their remuneration by passing the following resolution as an ordinary resolution with or without modification(s):

“Resolved that, pursuant to the provisions of Section 139 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, the retiring auditor, be and is hereby re-appointed as an auditor of the Company to hold the office until the conclusion of the Annual General Meeting of the Company to be held in 2020 for auditing the accounts of the Company at a remuneration of Rs. 2.75 lacs (exclusive of applicable taxes) (subject to revision on the discretion of the Board) in addition to reimbursement of traveling and other out-of-pocket expenses incurred by them in connection with the audit.”

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

SPECIAL BUSINESS

3) Appointment of Shri Sanjay Goel 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 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 and subject to approval of the Members of the Company, Shri Sanjay Goel (holding DIN 08023127), in respect of his candidature for the office of Director, be and is hereby appointed as a Co-opted Director of the Company."

"Resolved further that Shri Dilip Barman or any other Director of the Company be and are 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."

4) Re-appointment of Dr. Sanjay Bahl, DG, CERT-In 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 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 and subject to approval of the Members of the Company, Dr. Sanjay Bahl (holding DIN 08015858), in respect of his candidature for the office of Director, be and is hereby re-appointed as a Co-opted Director of the Company."



"Resolved further that Shri Dilip Barman or any other Director of the Company, be and are 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) 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: 3rd December, 2018

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

Registered Office:

Flat No. 6C, 6D & 6E, 6th Floor,

Hansalya building, 15, Barakhamba Road,

New Delhi-110001



(Anil Kumar Jain)

Director

DIN: 02254088

Notes:-

- a) The relative explanatory statement pursuant to section 102 of the Companies Act, 2013, in respect of the business under item no. 3 to 5 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 2017-18 is being sent by electronic mode as well as physical copies to those Members whose email Id & addresses are registered with the Company.

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke.

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. 3 to 5 of the accompanying Notice dated 3rd December, 2018.

Item No. 3

Shri Sanjay Goel was appointed as an Additional Co-opted Director on 11-09-2018. It is proposed to appoint him as a Co-opted Director for smooth functioning of the Company. The Company has received a notice in writing proposing him for directorship of the Company along with his 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 he is not disqualified under subsection (2) of section 164 of the Companies Act 2013.

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 except Shri Sanjay Goel or their relatives is in any way concerned or interested, financial or otherwise, in the said resolution.

Item No. 4

Dr. Sanjay Bahl was appointed as a Co-opted Director in the AGM held on 28-12-2017. As per article 17 (d) his tenure is for one year. His association with NIXI would of immense help in the area of IPV6, Internationalized domain names and other emerging technologies. Therefore, it is proposed to reappoint him as a Co-opted Director of the Company. Further, the Company received a notice in writing proposing him for directorship of the Company along with his 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 he is not disqualified under subsection (2) of section 164 of the Companies Act 2013.

Therefore, the Board of Directors recommend passing of the Resolution as set out in item No. 4 of the Notice.

A handwritten signature in blue ink, appearing to be a stylized representation of the name 'Sanjay Bahl'.

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

Item No. 5

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. 5 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: 3rd December, 2018

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

Registered Office:

Flat No. 6C, 6D & 6E, 6th Floor,
Hansalya building, 15, Barakhamba Road,
New Delhi-110001



(Anil Kumar Jain)

Director

DIN: 02254088

To

The Members

The Directors are pleased to present the 15th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ending March 31, 2018.

FINANCIAL RESULTS

(Rs. in lacs)

| | Year Ended | |
|---|----------------|----------------|
| | 2017-2018 | 2016-2017 |
| INCOME | | |
| - Membership Fees | 0.64 | 0.74 |
| - Registration Charges (.IN) | 5496.67 | 5491.72 |
| - Connectivity Charges (IX) | 350.94 | 266.38 |
| - Data transfer Differential (net) | 52.62 | 19.40 |
| - Affiliation Fees | 816.34 | 702.00 |
| - Other income | 16.21 | 18.06 |
| - Interest earned | 1252.28 | 1554.07 |
| Total Income (A) | 7985.70 | 8052.37 |
| EXPENDITURE | | |
| - Technical & Operating Expenses | 1514.63 | 1537.41 |
| - Establishment | 202.91 | 204.00 |
| - Administrative and Promotional Expenses | 364.00 | 700.37 |
| - Depreciation | 48.57 | 60.31 |
| Total Expenditure (B) | 2130.11 | 2502.09 |
| Surplus prior to appropriation and Prior Period Adjustment (C)=(A) – (B) | 5855.59 | 5550.29 |
| Add: Prior Period Adjustment (D) | 25.38 | (2.57) |
| Less: Transferred to Marketing Fund (E) | (568.49) | (564.39) |
| Net Surplus (C)+(D) – (E) | 5312.48 | 4983.33 |

OPERATIONS:

During the financial year, the operational revenue has gone up from Rs. 6480.25 lacs to Rs.6717.21 lacs and made a net surplus of Rs.5312.48 lacs (Previous Year Rs. 4983.33 lacs) after consideration of interest income of Rs.1252.28 lacs (Previous year Rs. 1554.07 lacs). The surplus includes Rs.295.86 lacs from exchange operation, Rs.4371.71 lacs from Registry operations (after the appropriation to Marketing Reserve), and Rs.644.92 lacs from the activity of National Internet Exchange of India (NIXI). The total allocation to and utilization from

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marketing fund during the year is Rs.568.49 lacs (previous year Rs. 564.39 lacs). The accumulation to market fund Reserve account stands at Rs.949.02 lacs on 31.03.2018. This represents the unutilized balance of Rs.736.53 lakhs at the close of the agreement on December 31, 2012, 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.28243.90 lacs (Previous Year Rs. 22931.42 lacs) excluding marketing reserve fund.

OUTLOOK FOR THE YEAR 2018-19:

- To increase the quantum of traffic exchange from the present 93 Gbps to 120 Gbps.
- Increase in no. of Affiliates joining IRINN from 2533 to 2650
- Reaching 2.20 millions .IN domain registration by 2019.

CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of business of the Company during the year 2017-18.

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.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS IF ANY

No significant material order was passed by the regulators during the year.

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:

[Handwritten signatures in blue ink]

| S.No | Auditor's Qualification | Management Reply |
|------|--|--|
| 1 | Attention is invited to the Note No. 22 in relation to GST compliances of exchange division for which company is in the process of seeking legal opinion. Pending the outcome of legal opinion, non-compliances and its impact if any on the accounts is not determinable. | NIXI acts as a facilitator for settlement of traffic exchanged between its ISPs using X-Y tariff and P factor. Under this arrangement, NIXI consolidates the traffic exchanged by connected ISPs at respective NIXI node and settles the account of entire member ISPs for net traffic routed by ISPs by receiving and paying the collected amount through X-Y invoice. The Company is in the process of obtaining legal opinion on the GST Compliances relating to the revenue belonging to the exchange division. |

REAPPOINTMENT OF AUDITORS:

M/s S.S.Kothari Mehta & Co., Chartered Accountants, Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting. A written consent has been obtained from M/s S.S.Kothari Mehta & Co., Chartered Accountants to their appointment and a certificate, to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed there under and that they satisfy the criteria provided in section 141 of Companies Act, 2013. Being eligible, Board recommends their reappointment as Statutory Auditors for 2 years from financial year 2018-2019 to 2019-20.

DIRECTORS:

The term of the elected directors, namely, Shri S.P.Jerath, Shri B.C.Jain, Shri Sharad Sanghi, Dr. Omkar Rai, Shri Neeraj Sonker, Shri Anil Jain, Shri M.P.Vijay Kumar, Shri R.S.Mani and Shri Dilip Barman, expired on 1st October 2017. The election of Directors was conducted in the AGM held on 28th December 2017 wherein following Directors were elected:

Dr. Omkar Rai, Shri Dilip Barman, Shri R.S. Mani, Shri M.P. Vijay Kumar, Shri Anil Jain, Shri Suhru Ram Sayal, Shri Pinkesh Kotecha and Shri Jagmohan Singh.

Shri Sanjay Kumar Rakesh and Dr. Sanjay Bahl were appointed as additional directors by the Board on 8th December 2017 and were regularized as Co-Opted Directors in the AGM held on 28th December 2017.

The nomination of Dr. Ajay Kumar from the post of Nominee Director of the Company was withdrawn consequent upon his promotion as Secretary Defence production, Ministry of




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.

The Board placed on record its appreciation for the contribution made by Dr. Ajay Kumar, Smt. Aruna Sundararajan, Shri S.P.Jerath, Shri B.C.Jain, Shri Sharad Sanghi and Shri Neeraj Sonker 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 | 29/09/2017 | 15 | 12 |
| 2 | 08/12/2017 | 6 | 6 |

B) Committee meetings:

i) .IN Advisory Committee


| S.No. | Date of meeting | Total Members on the date of meeting | No. of Members attending the Meeting |
|-------|-----------------|--------------------------------------|--------------------------------------|
| 1 | 06/10/17 | 5 | 3 |

ii) Committee of HR & Organization Structure

| S.No. | Date of meeting | Total Members on the date of meeting | No. of Members attending the Meeting |
|-------|-----------------|--------------------------------------|--------------------------------------|
| 1 | 12/09/17 | 3 | 3 |

iii) Finance & Audit Committee

| S.No. | Date of meeting | Total Members on the date of meeting | No. of Members attending the Meeting |
|-------|-----------------|--------------------------------------|--------------------------------------|
| 1 | 27/09/17 | 4 | 4 |

| S.N o. | 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 | 2 | 100 | - | - | - | - |
| 2 | Smt. Aruna Sundararajan | - | - | - | - | - | - | - |
| 3 | Dr. Ajay Kumar | 1 | 1 | 100 | - | - | - | - |
| 4 | Shri Gopalkrishnan S. | 1 | 1 | 100 | - | - | - | - |
| 5 | Ms. Anuradha Mitra | 2 | 2 | 100 | 1 | 1 | 1 | 100 |
| 6 | Shri Abhay Karandikar | 2 | 1 | 50 | - | - | - | - |
| 7 | Shri Rajesh Chharia | 2 | 2 | 100 | 3 | 2 | 2 | 100 |
| 8 | Shri Sanjay Kumar Rakesh | 1 | 1 | 100 | 6 | 3 | 3 | 100 |
| 9 | Dr. Sanjay Bahl | 1 | - | - | - | - | - | - |
| 10 | Dr. Omkar Rai | 1 | 1 | 100 | 2 | 1 | 1 | 100 |
| 11 | Shri Anil Jain | 1 | - | 0 | 2 | 1 | 1 | 100 |
| 12 | Shri S P Jerath | 1 | - | 0 | 2 | 1 | 1 | 100 |
| 13 | Shri B C Jain | 1 | 1 | 100 | 2 | - | - | - |
| 14 | Shri Neeraj Sonker | 1 | 1 | 100 | 2 | - | - | - |
| 15 | Shri Sharad Sanghi | 1 | 1 | 100 | 2 | - | - | - |
| 16 | Shri M. P. Vijay Kumar | 1 | 1 | 100 | 2 | 1 | - | - |
| 17 | Shri R S Mani | 1 | 1 | 100 | 2 | - | - | - |
| 18 | Shri Dilip Barman | 1 | 1 | 100 | 2 | 2 | 1 | 50 |
| 19 | Shri Suhru Ram Sayal | - | - | - | - | - | - | - |
| 20 | Shri Pinkesh Kotecha | - | - | - | - | - | - | - |
| 21 | Shri Jagmohan Singh | - | - | - | - | - | - | - |

[Handwritten Signature]

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PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES
(SEC. 188): Information on transactions with related parties pursuant to Section 134(3)(c) 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.

COMPOSITION OF AUDIT COMMITTEE

| S.No. | Members |
|-------|--------------------------|
| 1 | Ms. Anuradha Mitra |
| 2 | Shri Sanjay Kumar Rakesh |
| 3 | Shri Rajesh Chharia |
| 4 | Shri S. R. Sayal |

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.

A brief outline of the CSR policy, the CSR initiative undertaken during the financial year 2017-18 together with the progress thereon and the Annual report on CSR activities are set out in **Annexure III** to this report.

COST RECORDS & COST AUDIT

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, for the financial year 2017-18 are not applicable to the Company.

SEXUAL HARASSMENT OF WOMEN

Company has Corporate governs Committee for complying the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as mentioned in the HR policy of the Company.

[Signature] *[Signature]* 15

RISK MANAGEMENT POLICY

Pursuant to section 134 (3) (n) of the Companies Act 2013, the Board's report shall include a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, in which the opinion of the Board may threaten the existence of the company.

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.204.39 lakhs

(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

Rs.106.62 lakhs

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.

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**

Place : New Delhi

Date: 27th September, 2018




Director

Director

DIN: 07322268

DIN: 08023197

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 2017-18.

2. Details of material contracts or arrangement or transactions at arm's length basis: The Company has not entered into contract with its related parties during the financial year 2017-18.

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

Place : New Delhi

Date: 27th September, 2018



Director

DIN: 07322268



Director

DIN: 08023129

ANNEXURE II
EXTRACT OF ANNUAL RETURN

for the financial year ended on 31st March 2018

[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: 19th June 2003
- 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, 6th Floor, Hansalya building, 15, Barakhamba Road, New Delhi-110001. Website: www.nixi.in, www.registry.in, 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 | 5.57 |
| 2 | .IN registry | NA | 82.30 |
| 3 | NIR | NA | 12.13 |

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 |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | Nil | Nil | Nil | Nil |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |
| Change in Indebtedness during the financial year | | | | |
| · Addition | Nil | Nil | Nil | Nil |
| · Reduction | | | | |
| Net Change | Nil | Nil | Nil | Nil |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | Nil | Nil | Nil | Nil |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 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/WTM: 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 |
|-------------------------------------|--------------------------|-------------------|--|---------------------------|---------------------|
| A. COMPANY | | | | | |
| Penalty | NA | NA | NA | NA | NA |
| Punishment | NA | NA | NA | NA | NA |
| Compounding | NA | NA | NA | NA | NA |
| B. DIRECTORS | | | | | |
| Penalty | NA | NA | NA | NA | NA |
| Punishment | NA | NA | NA | NA | NA |
| Compounding | NA | NA | NA | NA | NA |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| 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

Place : New Delhi

Date: 27th September, 2018



Director

DIN: 07322268

Director

DIN: 08023127

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

The Board approved the spending of CSR amount of Rs. 79.56 lacs for FY 2017-18 in the Prime Minister's Relief Fund and also directed that in future the CSR corpus be invested in those projects that help in advancement of IT and related services..

(2) The Composition of the CSR Committee:

Shri Sanjay Kumar Rakesh, CEO, Director, NIXI

Shri Anil Jain, Director, NIXI

Shri R.S. Mani, Director, NIXI

Shri Rajesh Chharia, Director, NIXI

Shri Jagmohan Singh, Director, NIXI

(3) Average net profit of the company for last three financial years: Rs.3978.16 lacs

(4) Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 79.56 lakhs

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

(a) Total amount spent for the financial year: Rs. 79.56 lakhs

(b) Amount unspent, if any: Nil



(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 | Spent direct or through implementing agency |
|--------|------------------------------------|--|---|---|--|---|---|
| 1 | Prime Minister's Relief Fund | Contribution s to Prime Minister's Relief Fund | NA | Rs. 79.56 lakhs | Rs. 79.56 lakhs | Rs. 79.56 lakhs | Rs. 79.56 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. The CSR Committee confirms 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

Place : New Delhi

Date: 27th September, 2018

 Director
 DIN: 07322268

 Director
 DIN: 08023197

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**, which comprise the Balance Sheet as at 31 March 2018, Income and Expenditure Account and cash flow statement for the year then ended and notes to the financial statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("Act") with respect to the preparation of these financial statements that give a true and fair view of financial positions, financial performance in accordance with the accounting principles generally accepted in India, including the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The responsibility also includes maintenance of adequate accounting records in accordance with the provision of this act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of adequate accounting policies; making judgement and estimates that are reasonable and prudent; the design implementation and maintenance of internal controls that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that 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 provision of this Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and rules made thereunder.

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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by 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.

Basis for Qualified Opinion

- a) Attention is invited to the Note No. 22 in relation to GST compliances of exchange division for which company is in the process of seeking legal opinion. Pending the outcome of legal opinion, non-compliances and its impact if any on the accounts is not determinable.



Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for the qualified opinion paragraph above, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018; and
- b) In the case of the Income & Expenditure account, of the Surplus for the year ended on that date.
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

This report does not include a statement on the matters specified in paragraph 3 & 4 of the Companies (Auditor's Report) Order, 2015 issued by the Central Government in terms of Section 143 (11) of the Companies Act, 2013, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.

As required by Section 143(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet and Income and Expenditure Account dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and Income and Expenditure Account 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 written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.
- 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 Auditors Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and best to our information and according to the explanation given to us:
 - 1) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20 to the financial statements.
 - 2) 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.
 - 3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. S. KOTHARI MEHTA & CO.

Chartered Accountants

Firm Reg. No. : 000756N


Naveen Aggarwal

Partner

Membership No.: 094380



Place: New Delhi

Date: 27/9/2018

ANNEXURE A 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, 2018 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 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. S. KOTHARI MEHTA & CO.**
Chartered Accountants
Firm Reg. No. : 000756N

Naveen



Naveen Aggarwal
Partner
Membership No.: 094380

Place: New Delhi
Date: 27/9/2018

NATIONAL INTERNET EXCHANGE OF INDIA

BALANCE SHEET AS AT MARCH 31, 2018

CIN-U72900DL2003NPL120999

| Particulars | Note No. | As At | As At |
|--|----------|---------------------|---------------------|
| | | Mar 31, 2018 | Mar 31, 2017 |
| | | (Rs) | (Rs) |
| I EQUITY & LIABILITIES | | | |
| 1) Capital Funds | | | |
| a) Grant Funds (Capital and Revenue) | 2 | - | 13,04,601 |
| b) Reserves & Surplus | 3 | 29192,92,241 | 23667,95,136 |
| 2) Non Current Liabilities | | | |
| a) Other Long Term Liabilities | 4 | 2172,28,159 | 1389,54,587 |
| b) Long Term Provisions | 5 | 9,00,408 | 22,94,194 |
| 3) Current Liabilities | | | |
| a) Trade Payables | | | |
| (A) total outstanding dues of micro enterprises and small enterprises; and | | | |
| (B) total outstanding dues of creditors other micro enterprises and small enterprises; and | 6 | 812,61,333 | 183,81,475 |
| b) Other Current Liabilities | 7 | 4676,45,570 | 4787,94,938 |
| c) Short Term Provisions | 8 | 93,656 | 7,06,853 |
| Total | | 36864,21,367 | 30072,31,784 |
| II ASSETS | | | |
| 1) Non Current Assets | | | |
| a) Fixed Assets | | | |
| - Tangible Assets | 9 | 90,98,496 | 151,83,746 |
| - Intangible Assets | | 21,790 | 2,00,454 |
| b) Long Term Loans and Advances | 10 | 4459,97,262 | 3847,31,335 |
| 2) Current Assets | | | |
| a) Trade Receivables | 11 | 510,38,551 | 186,03,599 |
| b) Cash & cash equivalents | 12 | 25549,32,668 | 24152,93,732 |
| c) Short Term Loans & Advances | 13 | 5505,50,652 | 449,92,701 |
| d) Other Current Assets | 14 | 747,81,948 | 1282,26,217 |
| Total | | 36864,21,367 | 30072,31,784 |

Significant Accounting Policies

1

Other Notes to Accounts

20 to 39

For and on behalf of board of directors

As per attached Report of even date

for S S Kothari Mehta & Co.

Chartered Accountants

Firm Registration No. 000756N

Director

Sanjay Goel
DIN: 08023127

Director

Dilip Kumar Basman
DIN: 07322268

Naveen Aggarwal

Partner

Membership No. 094380


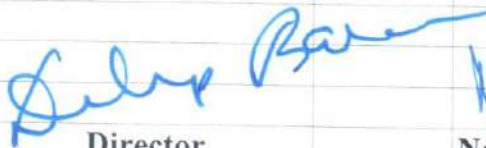
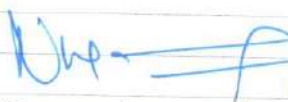

Place : New Delhi

Dated : 27-09-2018

NATIONAL INTERNET EXCHANGE OF INDIA

Statement of Income & Expenditure for the Year Ended 31 March, 2018

CIN-U72900DL2003NPL120999

| Particulars | Note No. | Year Ended Mar 31, 2018 (Rs) | Year Ended Mar 31, 2017 (Rs) |
|---|---|---|---|
| INCOME | | | |
| Revenue from Operations | 15 | 6719,25,511 | 6486,84,751 |
| Other Income | 16 | 1266,44,540 | 1565,52,945 |
| Total Income | | 7985,70,051 | 8052,37,696 |
| EXPENDITURE | | | |
| Operational Expenses | 17 | 1514,63,056 | 1537,41,454 |
| Employee Benefits Expense | 18 | 202,91,623 | 204,00,114 |
| Depreciation & Amortization Expense | 9 | 48,56,625 | 60,30,686 |
| Other Expenses | 19 | 363,99,922 | 700,36,774 |
| Total Expenditure | | 2130,11,226 | 2502,09,028 |
| Excess of Income over Expenditure | | 5855,58,825 | 5550,28,668 |
| Less: Transferred to Marketing Fund | | 568,49,280 | 564,39,365 |
| Less: Prior Period Adjustment | | (25,38,680) | 2,56,505 |
| Surplus carried over to Reserve & Surplus | | 5312,48,225 | 4983,32,798 |
| Significant Accounting Policies | 1 | | |
| Other Notes to Accounts | 20 to 39 | | |
| For and on behalf of board of directors | | As per attached Report of even date for S S Kothari Mehta & Co. Firm Registration No. 000756N | |
|  |  |  |  |
| Director Sanjay Goel DIN : 08023127 | Director Dilip Kumar Barman DIN : 07322268 | Naveen Aggarwal Partner Membership No. 094380 | |
| Place : New Delhi | | | |
| Dated : 27-09-2018 | | | |

NATIONAL INTERNET EXCHANGE OF INDIA
CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2018
CIN-U72900DL2003NPL120999

| Particular | | As At March 31,2018 | As At March 31,2017 |
|--|---------------|------------------------|------------------------|
| (A) Cash from operational activities | | | |
| Surplus from operational activities | | 5312,48,225 | 4983,32,798 |
| Adjustments for: | | | |
| Depreciation | 48,56,625 | | 60,30,686 |
| Interest Earned | (1252,28,250) | | (1554,06,990) |
| Appropriation to Marketing Fund (net of utilisations made) | 212,48,881 | (991,22,744) | - |
| Operational Surplus before working capital changes | | 4321,25,481 | 3489,56,494 |
| (Increase)/Decrease in Receivables | (324,34,952) | | 97,21,729 |
| (Increase)/Decrease in Other Current Assets | (4521,13,682) | | (126,69,152) |
| (Increase)/Decrease in Loans & Advances | (612,65,927) | | (571,52,320) |
| Increase/(Decrease) in Current liabilities | 511,17,293 | | (134,58,496) |
| Increase/(Decrease) in Non Current liabilities | 768,79,786 | (4178,17,482) | 160,19,560 |
| Net cash from operating Activities | | 143,07,999 | 2914,17,815 |
| (B) Cash Flow from Investing Activities | | | |
| Interest Earned | | 1252,28,250 | 1554,06,990 |
| Sale of Fixed Assets | | 11,955 | - |
| Purchase of Fixed assets | | (1,62,882) | (146,98,108) |
| Discarded of Fixed Assets | | 2,53,614 | - |
| Net Increase in Cash and Cash Equivalent | | 1396,38,936 | 4321,26,697 |
| Cash and Cash equivalent at the beginning of the Period | | 24152,93,732 | 19831,67,035 |
| Cash and Cash equivalent at the end of the Period | | 25549,32,668 | 24152,93,732 |

Notes:

| | | | |
|---|--|---------------------|---------------------|
| 1 | Cash and cash equivalentst includes | | |
| | Cash in Hand | 5,212 | 9,469 |
| | Current Accounts | 418,71,879 | 114,81,352 |
| | Saving Accounts | 1368,17,999 | 150,92,187 |
| | Sweep deposit | 310,62,309 | 4299,11,001 |
| | Cash and cash equivalents at the year end | (A) | |
| | Other Bank Balances | 2097,57,399 | 4564,94,009 |
| | Terms Deposits (Original maturity - period more than 3 months) | (B) | |
| | Cash and Bank Balance as on 31 Mar 18/ 31 Mar 17 | 23451,75,269 | 19587,99,723 |
| | | (A) + (B) | |
| | | 25549,32,668 | 24152,93,732 |

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

Director
Sanjay Goel
DIN: 08023127
Place : New Delhi
Dated : 27-09-2018

Director
Dilip Kumar Barman
DIN: 07322269

As per attached Report of even date
for **S S Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No. 000756X

Naveen Aggarwal
Partner
Membership No. 094380



| NATIONAL INTERNET EXCHANGE OF INDIA | | | |
|-------------------------------------|--|--------------------------------|-------------------------------|
| CIN-U72900DL2003NPL120999 | | | |
| | Particulars | AS AT Mar 31, 2018 (Rs.) | As At Mar 31, 2017 (Rs) |
| Note 2: Government Grants | | | |
| Capital Grants | | | |
| | Balance brought forward from previous year | 13,04,601 | 13,04,601 |
| Less: | Discarded Assets | 13,04,601 | - |
| | Total | - | 13,04,601 |
| Note 3: Reserves & Surplus | | | |
| (A) Special Reserve | | | |
| | Balance brought forward from previous year | - | - |
| Add: | Transferred from Accumulated Surplus | 21089,08,487 | - |
| | Total (A) | 21089,08,487 | |
| (B) Accumulated Surplus | | | |
| | Balance Brought forward from previous year | 22931,41,794 | 17948,08,997 |
| Add: | Surplus carried from Statement of Income and Expenditure | 5312,48,225 | 4983,32,798 |
| Less: | Transfer to Special Reserve (refer note no. 36) | 21089,08,487 | - |
| | Total (B) | 7154,81,532 | 22931,41,795 |
| (C) Marketing Fund | | | |
| | Balance brought forward from previous year | 736,53,341 | 736,53,341 |
| Add: | Transferred from Statement of Income and Expenditure | 568,49,280 | 564,39,365 |
| Less: | Utilised during the year (refer Note 19) | 356,00,399 | 564,39,365 |
| | Total (C) | 949,02,222 | 736,53,341 |
| | Total (A+B+C) | 29192,92,241 | 23667,95,136 |

AC/04

[Handwritten Signature]



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

| Particulars | AS AT | As At |
|---|--------------------|--------------------|
| | Mar 31, 2018 | Mar 31, 2017 |
| | (Rs.) | (Rs) |
| Note 4: Other Long Term Liabilities | | |
| - Registration Fees Received in advance | 2172,28,159 | 1389,54,587 |
| | 2172,28,159 | 1389,54,587 |
| Note 5: Long Term Provisions | | |
| - Provision for Gratuity | 9,00,408 | 22,94,194 |
| | 9,00,408 | 22,94,194 |
| Note 6: Trade Payables | | |
| - Technical Service Charges Payable | 783,59,819 | 142,38,453 |
| - Operational Charges Payable | 29,01,514 | 41,43,022 |
| Total | 812,61,333 | 183,81,475 |
| Note 7: Other Current Liabilities | | |
| Revenue Grants | | |
| Balance brought forward from previous year | 9,75,911 | 61,70,585 |
| Add: Received during the year (IIGF Project) | 116,27,000 | - |
| Add: Interest Earned | 7,94,000 | 4,28,254 |
| | 133,96,911 | 65,98,839 |
| Less: Utilisation during the year (Refer note 19) | 48,72,469 | 56,22,928 |
| Sub Total (A) | 85,24,442 | 9,75,911 |
| Other Payables | | |
| - Registration Fees & Affiliation Fees Received in Advance | 3082,36,698 | 3514,91,727 |
| - Advance from ISP/Registrars/Affiliates | 664,86,539 | 577,07,673 |
| - Data Transfer Differentials Dues (Net of Receivables, Refer Note No. 23) | 520,77,990 | 435,72,487 |
| - Statutory dues | 161,46,515 | 89,17,187 |
| - Others | 161,73,386 | 161,29,953 |
| Sub Total (B) | 4591,21,128 | 4778,19,027 |
| | 4676,45,570 | 4787,94,938 |
| Note 8: Short Term Provisions | | |
| Provision for employee benefits | | |
| - Provision for Gratuity | - | 4,84,103 |
| - Provision for compensated absences | 93,656 | 2,22,750 |
| Total | 93,656 | 7,06,853 |





Note 9: Fixed Assets

| | | 311,64,265 | | | 309,10,650 | | | 2,53,615 | | | (Rs.) | |
|-------------------------|------------------------------|-------------------|-----------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|------------|
| | | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | | |
| ASSETS | | AS ON | Additions | Sales/Adjustment | AS ON | AS ON | For the | Adjustment / | AS ON | AS ON | AS ON | AS ON |
| | | 01.04.2017 | | | 31.03.2018 | 01.04.2017 | Year | Written off | 31.03.2018 | 31.03.2018 | 31.03.2018 | 31.03.2017 |
| Tangible Assets: | | | | | | | | | | | | |
| 1 | Air Conditioners | 13,88,988 | - | 13,88,988 | - | 13,19,539 | - | 13,19,539 | - | - | - | 69,449 |
| 2 | Computers, Routers & Servers | 866,13,318 | 1,62,882 | 296,49,936 | 571,26,264 | 719,17,970 | 45,33,124 | 281,67,438 | 482,83,656 | 88,42,608 | 146,95,348 | |
| 3 | Furniture & Fixtures | 2,91,531 | - | - | 2,91,531 | 1,29,634 | 41,682 | - | 1,71,316 | 1,20,215 | 1,61,897 | |
| 4 | Office Equipments | 11,92,954 | - | 3,64,441 | 8,28,513 | 9,35,902 | 1,03,155 | 3,46,217 | 6,92,840 | 1,35,673 | 2,57,052 | |
| | Intangible Asset | 894,86,791 | 1,62,882 | 314,03,365 | 582,46,308 | 743,03,045 | 46,77,961 | 298,33,194 | 491,47,812 | 90,98,496 | 151,83,746 | |
| 5 | Software | 65,39,529 | - | - | 65,39,529 | 63,39,075 | 1,78,664 | - | 65,17,739 | 21,790 | 2,00,454 | |
| | Total | 960,26,320 | 1,62,882 | 314,03,365 | 647,85,837 | 806,42,120 | 48,56,625 | 298,33,194 | 556,65,551 | 91,20,286 | 153,84,200 | |
| | Previous Year | 813,28,212 | 146,98,108 | - | 960,26,320 | 746,11,434 | 60,30,686 | - | 806,42,120 | 153,84,200 | | |

The impact on account of applicability of schedule II has been adjusted towards Reserve & Surplus and capital grant.

For

Surplus



NATIONAL INTERNET EXCHANGE OF INDIA
CIN-U72900DL2003NPL120999

| Particulars | AS AT Mar 31, 2018 (Rs.) | As At Mar 31, 2017 (Rs.) |
|--|--------------------------------|--------------------------------|
| | | |
| Note 10 : Long Term Loans and Advances | | |
| (Unsecured, considered good unless otherwise stated) | | |
| - Income-tax Refund Due/TDS Recoverable (refer note 20(a)) | 4459,97,262 | 3847,31,335 |
| | 4459,97,262 | 3847,31,335 |
| Note 11 : Trade Receivables | | |
| Outstanding for a period exceeding six months from the due date | | |
| (Unsecured, considered good) | 242,74,529 | 93,01,336 |
| Others | | |
| (Unsecured, considered good) | 267,64,022 | 93,02,263 |
| | 510,38,551 | 186,03,599 |
| Note 12 : Cash and cash equivalents | | |
| a) Balance with Banks | | |
| - in Current Accounts | 418,71,879 | 114,81,352 |
| - in Savings Accounts | 1368,17,999 | 150,92,187 |
| - in Terms Deposit (maturity within 3 months) | 310,62,309 | 3348,07,919 |
| b) Cash in Hand | 5,212 | 9,469 |
| | 2097,57,399 | 3613,90,927 |
| Other Bank Balances | | |
| Term Deposits with Banks (maturity beyond 3 months) | 23451,75,269 | 20539,02,805 |
| | | |
| Total | 25549,32,668 | 24152,93,732 |
| Note 13 : Short Term Loans and Advances | | |
| Advances Recoverable in Cash or in Kind | | |
| - Unsecured, considered good | 5139,92,386 | 335,15,348 |
| - Unsecured, considered doubtful | 1,85,798 | 1,85,798 |
| | 5141,78,184 | 337,01,146 |
| Less: Provision for Doubtful Advances | -1,85,798 | -1,85,798 |
| | 5139,92,386 | 335,15,348 |
| Prepaid Expenses | 33,68,701 | 46,46,055 |
| Taxes and Duties Recoverable (Unsecured, considered good) | | |
| GST Recoverable (Export) | 216,35,833 | - |
| CENVAT Credit / GST Recoverable | 115,53,732 | 68,31,298 |
| | 5505,50,652 | 449,92,701 |
| Note 14 : Other Current Assets | | |
| Technical Service Charges Paid in Advance | 381,32,818 | 717,65,776 |
| Interest Accrued on Term Deposits with Banks | 366,49,130 | 564,60,441 |
| | 747,81,948 | 1282,26,217 |



NATIONAL INTERNET EXCHANGE OF INDIA
CIN-U72900DL2003NPL120999

| Particular | Year Ended Mar 31, 2018 (Rs.) | Year Ended Mar 31, 2017 (Rs) |
|---|-------------------------------------|------------------------------------|
| Note:15 Revenue from Operations | | |
| Membership Fees | 64,000 | 74,005 |
| Registration Charges | 5496,66,561 | 5491,72,488 |
| Connectivity Charges | 350,94,434 | 266,38,139 |
| Data Transfer Differential Charges | 52,61,734 | 19,40,361 |
| Affiliation Fees | 816,33,782 | 701,99,758 |
| Accreditation Fees | 2,00,000 | 6,50,000 |
| Joining Fees | 5,000 | 10,000 |
| Total | 6719,25,511 | 6486,84,751 |
| Note:16 Other Income | | |
| Interest Earned on Term Deposits with Banks | 1203,44,867 | 1542,65,273 |
| Interest Earned on Special Saving Accounts | 48,83,383 | 11,41,717 |
| Miscellaneous Income | 14,16,290 | 11,45,955 |
| Total | 1266,44,540 | 1565,52,945 |
| Note:17 Operational Expenses | | |
| Technical Service Charges | 1361,38,715 | 1387,15,388 |
| Rack Space Charges | 45,88,225 | 55,43,577 |
| Operating Charges | 7,89,023 | 8,64,029 |
| Bandwidth Charges | 1,96,785 | 71,964 |
| APNIC Membership Fees | 97,50,308 | 85,46,496 |
| Total | 1514,63,056 | 1537,41,454 |
| Note:18 Employee Benefits Expense | | |
| Salaries and Allowances | 8,38,260 | 19,92,275 |
| Contractual Employee Cost | 183,75,346 | 146,68,436 |
| Contribution to Provident and other funds | 39,858 | 2,06,424 |
| Gratuity (Refer note no 35) | 7,98,549 | 27,78,297 |
| Staff Welfare Expenses | 2,39,610 | 7,54,682 |
| Total | 202,91,623 | 204,00,114 |

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NATIONAL INTERNET EXCHANGE OF INDIA
CIN-U72900DL2003NPL120999

| Particular | | Year Ended Mar 31, 2018 (Rs.) | Year Ended Mar 31, 2017 (Rs) |
|---|------------|-------------------------------------|------------------------------------|
| Note:19 Other Expenses | | | |
| Professional, Legal and Consultancy Charges | | 56,88,223 | 45,39,241 |
| Audit Fees | | 3,00,275 | 2,73,000 |
| Conferences & Seminar Activities | | - | 81,242 |
| Grant and Sponsorship Fees | | 17,60,000 | 205,21,726 |
| Marketing Expenses (including rebates) | 356,04,500 | | 600,26,449 |
| Less: Transferred from Marketing Fund (refer note 3(C)) | 356,00,399 | 4,101 | 564,39,365 |
| IIGF Project Expenses | 48,72,469 | | 56,22,928 |
| Less: Transferred from IIGF Grant (refer note 7) | 48,72,469 | - | 56,22,928 |
| Other Promotional Activity | | 3,46,418 | 3,12,100 |
| Rent Paid | | 71,01,244 | 56,40,000 |
| Travelling & Conveyance Expenses | | 20,66,481 | 55,43,474 |
| Repairs and Maintenance Expenses | | | |
| - Building | | 12,05,213 | 9,31,054 |
| - Equipment | | 19,86,996 | 18,58,222 |
| - Software | | - | 8,400 |
| - Others | | 2,96,388 | 2,33,389 |
| Postage and Communication Expenses | | 8,70,845 | 11,79,502 |
| Office Expenses | | 34,65,915 | 41,09,562 |
| Subscription & Membership Charges | | 6,86,757 | 8,53,652 |
| CSR Expenses (Refer note 33) | | 79,56,326 | 159,79,637 |
| Fixed Assets Discarded | | 2,53,614 | - |
| Advertisement Expenses | | - | 4,97,877 |
| Provision for Doubtful Advances | | - | 1,85,798 |
| Provision for Expenses | | - | 26,70,500 |
| Miscellaneous Expenses | | 24,11,126 | 10,31,314 |
| Total | | 363,99,922 | 700,36,774 |

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[Signature]



Notes to Financial Statements for the year ended 31st March 2018

COMPANY INFORMATION

National Internet Exchange of India ("NIXI" or "the Company") is Not for Profit Section 8 Public Company Limited by Guarantee and is having the registered office in New Delhi. NIXI was registered on 19th June, 2003 and was set up for peering of ISPs among themselves for the purpose of routing the domestic traffic within the country, instead of taking it all the way to US/Abroad, thereby resulting in better quality of service (reduced latency) and reduced bandwidth charges for ISPs by saving on International Bandwidth. NIXI is managed and operated on a Neutral basis, in line with the best practices for such initiatives globally.

Note: 1 SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Preparation of Financial Statements

These 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, 2015 as amended. The accounting policies adopted in the preparation of financial statements are consistently followed year to year.

(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 sanction letters received from ministry and utilized for the purpose for which it is being given. Grant, if any, remaining unutilized is shown under the head "Grant Fund" or "Current Liabilities" as the case may be.

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 or unutilized grants, as applicable, in balance Sheet as an addition to such grant.



Notes to Financial Statements for the year ended 31st March 2018

(iv) Property Plants and Equipment

- a) 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.
- b) 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.

(v) Intangible Assets

- a) 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.
- b) Intangible Assets are stated at acquisition cost inclusive of all related and other incidental expenses net of accumulated amortization
- c) Intangible assets are amortised over a period of 10 years from the date of acquisition on straight line basis.

(vi) Employee Benefits

a) Defined Contribution Plans

Employee benefits in the form of Company's contribution to Provident fund, Pension Schemes and Employees State Insurance are defined contribution schemes. The contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.

b) Short Term Employee Benefits

Short term benefits such as Short term compensated absences are charged off at the undiscounted amount in the year in which the related service is rendered.

c) Long Term Employee Benefits

Retirement benefits in the form of gratuity are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation as at the date of the Balance Sheet using the projected unit credit method. Actuarial gains/losses, if any, are immediately recognized in the Statement of Profit & Loss.

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Notes to Financial Statements for the year ended 31st March 2018

(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.
- d) NIXI acts as a facilitator for settlement of traffic exchanged between its ISPs using X-Y tariff and P factor. Under this arrangement, NIXI consolidates the traffic exchanged by connected ISPs at respective NIXI node and settles the account of entire member ISPs for net traffic routed by ISPs by receiving and paying the collected amount through X-Y invoice. P factor is recognized as revenue in the year of invoicing and X-Y tariff is routed through Balance Sheet as payable/receivable as the case may be.
- e) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

(viii) Technical Services Payments

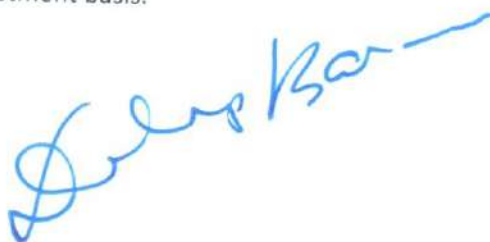
Technical Services Fee payments to the service provider are related to period for which services are received and the amount, if any, remaining unadjusted, is carried forward and disclosed separately under the head "Other Current Assets".

(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.

(x) Investment

Investments are classified into long term or current. Long-term investments are stated at acquisition cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. Current investments are valued at lower of cost and market rate on individual investment basis.



Notes to Financial Statements for the year ended 31st March 2018

(xi) Taxation

The company is registered under section 12A of the Income Tax Act, 1961 and is exempt from Tax subject to compliance of related provisions of Income Tax Act, 1961. Accordingly, provision for tax and deferred tax provisions are not applicable.

(xii) Provisions, contingent liability & contingent assets

- a) Provisions involving substantial degree of estimation in measurement are recognized when the present obligation resulting from past events give rise to probability of outflow of resources embodying economic benefits on settlement.
- b) Contingent liability is recognised where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Liabilities are not recognized but disclose in the notes.
- c) Contingent assets are neither recognized nor disclosed in financial statements.
- d) Provisions are reviewed at each Balance sheet date and adjusted to reflect the current best estimates.

(xiii) Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. Realized gains and losses on foreign exchange transactions during the year are recognized in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the year end rates and resultant gains/ losses, if any, are recognized in the statement of profit & loss and the related assets and liabilities are accordingly restated in the balance sheet. Exchange difference arising on long term foreign currency monetary items relating to acquisition of depreciable fixed assets, which is adjusted to the carrying amount of such assets.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(xiv) Cash and cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(xv) Lease Accounting

Leases where the Lessor effectively retains substantially all risks and benefits of ownership are classified as operating leases. Operating Lease payments are charged to the Statement of Profit & Loss over the lease term.



Notes to Financial Statements for the year ended 31st March 2018

OTHER NOTES TO ACCOUNTS

20. Contingent Liabilities

- a) The income tax assessment has been completed up to A.Y. 2014-15. 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. And Hon'ble High Court has also decided the case in favor of NIXI. The appeals filed with CIT (Appeals) for the Assessment year 2009-10 to 2014-15 have been decided in favor of company except Assessment Year 2011-12 & 2012-13.

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.27,37,22,955/- (previous year 27,37,22,955/-) on account of demands being raised and appeal filed by the department have been considered as contingent liability.

- b) 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.6,54,79,758/-, interest and penalty thereon has been made in the accounts.

The company has got the stay order from CESTAT (till disposal of the appeal) for payment of Service Tax liability imposed by department.

Further, the company has been issued show cause cum demand notice amounting to Rs.7,38,44,961/- 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.13,93,24,719/- (previous year Rs.13,93,24,719/-) have however been considered as contingent liability.

- c) The income-tax department has also issued a show cause notice on 23 Jan 2012 for withdrawal of the exemption granted u/s 12 AA 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

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Notes to Financial Statements for the year ended 31st March 2018

to exist. There has been no further communication received from Income Tax Department in their regard changing the financial year

21. Claims against the company not acknowledged as debts Rs.1,70,000/- (Previous year Rs.11,10,000/-) excluding those disclosed elsewhere in these notes to accounts.
22. Company is in the process of obtaining legal opinion on the GST Compliances relating to the revenue belonging to the exchange division. Pending such opinion, accounts are prepared based on compliances done by the company. Impact if any upon outcome of the legal opinion would be accounted for in the subsequent financial year.
23. 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.16,26,25,500/- (Previous year Rs.12,04,96,258/-) reduced by charges payable amounting to Rs.21,47,03,489/- (Previous year Rs.16,40,68,744/-), 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.52,61,734 {Previous Year Rs.19,40,361} 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.
24. The outgoing data transfer charges amounting to Rs.13,61,18,058/- 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.10,22,23,350/- relating to data transfer charges pertaining to previous financial year.
25. 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 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.9,49,02,222/- (previous year Rs.7,36,53,341). This includes Rs. 7,36,53,341/- (previous year Rs.7,36,53,341). 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.5,68,49,280 (previous year Rs.5,64,39,365) 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 to the extent spent for the marketing activities has been shown as utilized during the year.
25. 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.



Notes to Financial Statements for the year ended 31st March 2018

- b) 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.
26. 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.
27. **Fixed assets retired from active use**
- In earlier year, the company has replaced certain equipment having written down value of Rs. 8,04,600 belonging to exchange division with new operational equipment and retired these old equipment from active use. Additionally assets belonging to Dot in division having book value of Rs. 7,44,538 have also been retired from active use. Pending the process of technical evaluation and approval for any disposals, provision of Rs. 13,04,601 for discarding of those assets acquired out of capital grant has been utilized from such grant. Balance provision of Rs. 2,44,537 is charged from Income and expenditure account.
28. In accordance with Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company is required to identify Micro, Small and Medium suppliers and pay them interest overdue beyond the specified period irrespective of the terms agreed with the suppliers. Based on the information available with the management, there are no dues outstanding to Micro, Small and Medium Enterprises covered under the MSMED Act as on 31st March 2018..
29. Earnings and Expenditure in foreign currency (on cash basis):

| Sr.No. | Particular | (Amount in Rs.) | |
|--------|--|-----------------|---------------|
| | | Current Year | Previous Year |
| 1 | Earning in Foreign Currency | | |
| | - From Registry Operation * | 2,04,38,821 | 1,76,85,617 |
| 2 | Expenditure in Foreign Currency | | |
| | - Travelling Expenses | 2,63,849 | 6,39,858 |
| | (net of surrender of foreign exchange) | | |
| | - Subscription & Sponsorship | 1,03,97,883 | 94,47,789 |

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

30. 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.
31. Audit fee as referred in note 19 represents the amount paid/payable to statutory auditors towards:

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Notes to Financial Statements for the year ended 31st March 2018

| (Amount in Rs.) | | |
|----------------------------|-----------------|-----------------|
| Particular | Current Year | Previous Year |
| Audit Fees (excluding GST) | 2,50,000 | 2,47,500 |
| Reimbursement of expenses | 50,275 | 25,500 |
| Total | 3,00,275 | 2,73,000 |

32. 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 in the year in which the confirmation/reconciliation is carried out. The impact of these reconciliation is not likely to be significant.
33. During the year, the company has completed the CSR compliance for the financial year 2017-18 for Rs.79,56,326 (previous year Rs.1,59,79,637 for last three year 2014-15 to 2016-17. The year wise requirement and actual spending on CSR activities is as follows:

| (Amount in Rs.) | | | | | |
|-----------------|--|-----------|------------------------|----------------------|---------------|
| S.No | Particular | In cash | Yet to be paid in cash | Total (Current Year) | Previous Year |
| (i) | Construction/ acquisition of any assets | - | - | - | - |
| (ii) | Contribution to Indian Electronic and Semi Conductor Association | - | - | - | 62,90,858 |
| (iii) | On purpose other than (i) and (ii) above (P.M. National Relief Fund) | 79,56,326 | - | 79,56,326 | 96,88,779 |
| | | 79,56,326 | - | 79,56,326 | 1,59,79,637 |

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

34. In reference to Board Resolution passed in 51th Board meeting on 29th March, 2017, the project carrying value of Rs.2,10,50,00,000 has been approved for which the entire amount is to be paid to ERNET. This project is for setting up of Internet Connectivity & Wi-Fi Spots for Delivery of Tele-education, Tele-Health, e-Agriculture, e-Commerce at 5,000 locations in rural areas. Out of the total amount of Rs.2,10,50,00,000 NIXI has paid Rs.50,00,00,000 during the year & has been shown as advance recoverable in note 13.
35. **Employee Benefit**

Defined contribution Plans: The Company makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards provident and ESI fund, which is a defined contribution plan. The Company has no obligation other than to make the specified contributions. The contributions are charged to Statement of Income and Expenditure as they accrue. The amount recognized as an expense towards contribution to these Funds is given here under:

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Notes to Financial Statements for the year ended 31st March 2018

| (Amount in Rs.) | | |
|--|--------------|---------------|
| Particulars | Current Year | Previous Year |
| Contribution to provident fund | 28,500 | 30,900 |
| Contribution to Employee state insurance | 11,358 | 5,682 |

Gratuity Benefit Plans:

- a) The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company provides for the liability in its books of accounts based on the actuarial valuation.

The employee gratuity fund scheme is managed by LIC. The following table set out the funded status of the gratuity plan recognized as per the company's financial statement as at 31.03.2018

| Particulars | FY 2017-18 |
|---|------------------------------|
| Number of Members | 26 |
| Average age | 35.96 |
| Average Monthly Salary | 63501.38 |
| Average Past Service | 4.31 |
| VALUATION METHOD | Projected Unit Credit Method |
| ACTUARIAL ASSUMPTIONS | |
| Mortality Rate | LIC(2006-08) ultimate |
| Withdrawal Rate | 1% to 3% depending on age |
| Discount rate | 7.5% p. a. |
| Salary Escalation | 6% |
| RESULTS OF VALUATION | |
| a. PV of Past Service Benefit | 21,24,634 |
| b. Current Service Cost | 6,57,425 |
| c. Total Service Gratuity | 198,71,014 |
| Payment to LIC | 18,81,651 |
| Provision as at the end of the Year 31 March 2018 | 9,00,408 |

Previous year figures have not been given as company was providing gratuity liability with respect to eligible employees on the terms of Payment of Gratuity Act, 1972.

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Notes to Financial Statements for the year ended 31st March 2018

36. Special Reserve

Special reserve has been created under Section 11 of the Income Tax Act, 1961, by transferring the unutilized amount in excess of 15% of the total income for the purpose to achieve the objects of the Company.

Further, the accumulated unspent amount relating to previous years has also been transferred to special reserve during the year.

37. The Company operates under a single (primary) business segment. Accordingly the disclosure requirements as per AS 17 on "Segmental Reporting" are not applicable to the Company.

38. In respect of assets taken under operating lease (non transferable period):

| Particulars | (Amount in Rs.) | |
|---|-----------------|---------------|
| | Lease Payments | |
| | Current Year | Previous Year |
| Total Lease payment for the year (Recognised in statement of Income and Expenditure). | 71,01,244 | 56,40,000 |
| Minimum lease payments | | |
| Not later than 1 year | 71,01,244 | Nil |
| Later than 1 year but not later than 5 years | | Nil |
| Later than 5 years | | Nil |

39. The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation. Figures have been rounded off to the nearest rupee (except where stated otherwise).

Note 1 to 39 are annexed to and form an integral part of Balance Sheet as at 31st March 2018 and Statement of Income and Expenditure for the year ended as on that date.

For and on behalf of board of directors

Director
Suryajyoti Goel
DIN: 08023127

Place : New Delhi
Date : 27-09-2018

Director
Dilip Kumar Barmah
DIN: 07322268

As per attached Report of even date
for S S Kothari Mehta & Co.
Chartered Accountants

Firm Registration No. 000756

Naveen Aggarwal
Partner

Membership No. 094380

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details.

Registration No.

| | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| U | 7 | 2 | 9 | 0 | 0 | D | L | 2 | 0 | 0 | 3 | N | P | L | 1 | 2 | 0 | 9 | 9 | 9 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

 State code

| | |
|---|---|
| 5 | 5 |
|---|---|

| | |
|---|---|
| 3 | 1 |
|---|---|

| | |
|---|---|
| 0 | 3 |
|---|---|

| | |
|---|---|
| 1 | 8 |
|---|---|

 Balance Sheet

Date Month Year

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

Public Issue

| | | | | | | | | | |
|--|--|--|--|---|---|---|--|--|--|
| | | | | N | I | L | | | |
|--|--|--|--|---|---|---|--|--|--|

Business Issue

| | | | | | | | | | |
|--|--|--|--|---|---|---|--|--|--|
| | | | | N | I | L | | | |
|--|--|--|--|---|---|---|--|--|--|

Rights Issue**

| | | | | | | | | | |
|--|--|--|--|---|---|---|--|--|--|
| | | | | N | I | L | | | |
|--|--|--|--|---|---|---|--|--|--|

Private Placement

| | | | | | | | | | |
|--|--|--|--|---|---|---|--|--|--|
| | | | | N | I | L | | | |
|--|--|--|--|---|---|---|--|--|--|

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

Total Liabilities

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 3 | 6 | 8 | 6 | 4 | 2 | 1 | 3 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|---|

Total Assets

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 3 | 6 | 8 | 6 | 4 | 2 | 1 | 3 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|---|

Sources of Funds

Paid-up Capital

| | | | | | | | | | |
|--|--|--|--|---|---|---|--|--|--|
| | | | | N | I | L | | | |
|--|--|--|--|---|---|---|--|--|--|

Secured Loan

| | | | | | | | | | |
|--|--|--|--|---|---|---|--|--|--|
| | | | | N | I | L | | | |
|--|--|--|--|---|---|---|--|--|--|

Reserves Surplus

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2 | 9 | 1 | 9 | 2 | 9 | 2 | 2 | 4 | 1 |
|---|---|---|---|---|---|---|---|---|---|

Unsecured Loans

| | | | | | | | | | |
|--|--|--|--|---|---|---|--|--|--|
| | | | | N | I | L | | | |
|--|--|--|--|---|---|---|--|--|--|

Application Funds

Net Fixed Assets

| | | | | | | | | | |
|--|--|---|---|---|---|---|---|---|---|
| | | 9 | 1 | 2 | 0 | 2 | 8 | 6 | - |
|--|--|---|---|---|---|---|---|---|---|

Net Current Assets

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2 | 6 | 8 | 2 | 3 | 0 | 3 | 2 | 6 | 0 |
|---|---|---|---|---|---|---|---|---|---|

Investments

| | | | | | | | | | |
|--|--|--|--|---|---|---|--|--|--|
| | | | | N | I | L | | | |
|--|--|--|--|---|---|---|--|--|--|

Deferred Revenue Charges

| | | | | | | | | | |
|--|--|--|--|---|---|---|--|--|--|
| | | | | N | I | L | | | |
|--|--|--|--|---|---|---|--|--|--|

Accumulated Losses

| | | | | | | | | | |
|--|--|--|--|---|---|---|--|--|--|
| | | | | N | I | L | | | |
|--|--|--|--|---|---|---|--|--|--|

IV. Performance of Company (Amount in Rs.)

Turnover

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 7 | 9 | 8 | 5 | 7 | 0 | 0 | 5 | 1 |
|---|---|---|---|---|---|---|---|---|

Total Expenditure*

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2 | 1 | 3 | 0 | 1 | 1 | 2 | 2 | 6 |
|---|---|---|---|---|---|---|---|---|

*(excluding the appropriation of Rs.5,68,49,280/- and Prior Period Income of Rs.25,38,680/-)

Income/Expenditure before tax

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 5 | 3 | 1 | 2 | 4 | 8 | 2 | 2 | 5 |
|---|---|---|---|---|---|---|---|---|---|---|

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

Earning per Share in Rs.

| | | | | | | | | | |
|--|--|--|--|---|---|--|--|--|--|
| | | | | N | A | | | | |
|--|--|--|--|---|---|--|--|--|--|

Income/Expenditure after tax

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 5 | 3 | 1 | 2 | 4 | 8 | 2 | 2 | 5 |
|---|---|---|---|---|---|---|---|---|---|---|

Dividend rate %

| | | | | | | | | | |
|--|--|--|--|---|---|--|--|--|--|
| | | | | N | A | | | | |
|--|--|--|--|---|---|--|--|--|--|

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

Product

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

Item Code No.
(ITC Code)

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

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

[illegible]

| | | | | | | |
|--|--|--|--|--|--|--|
| | | | | | | |
|--|--|--|--|--|--|--|

(ITCCode)[illegible]

| | | | | | | |
|--|--|--|--|--|--|--|
| | | | | | | |
|--|--|--|--|--|--|--|

Item Code No.
(ITC Code)

Three horizontal rows of empty rectangular boxes, each row containing 18 boxes, intended for students to write their answers.

* Note: For ITC code of Products please refer to the publication Indian Trade Classification based on harmonized commodity description and coding system by Ministry of Commerce, Directorate General of Commercial Intelligence & Statistics, Calcutta - 700 001.

[Handwritten signature]

ATTENDANCE SLIP
NATIONAL INTERNET EXCHANGE OF INDIA

| | |
|----------------------------------|--|
| Folio No.: | |
| Name of the Member(s): | |
| Address of the Member(s): | |

I /We hereby record my/our presence at the 15th ANNUAL GENERAL MEETING being held on Thursday, the 27th day of December 2018 at 10.00 a.m. at Ministry of Communications and Information Technology, Conference Room 1007, Electronics Niketan, 6, CGO Complex, Lodi Road, New Delhi –110003.

Signature of the Member/Proxy present

Note:

1. Member / Proxy holder / A representative of the Ordinary Member wishing to attend the meeting must bring the Attendance Slip, along with authority letter and ID card duly signed by the Managing Director, in case of private companies / Company secretary or head of the organization or CEO, in case of other organizations, 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.

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, 6th Floor, Hansalya building, 15, Barakhamba Road, New Delhi-110001

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

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 27th day of December 2018 at 10.00 a.m. at Ministry of Communications and Information Technology, Conference Room 1007, Electronics Niketan, 6, CGO Complex, Lodi 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, 2018 (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 reappoint Auditors and to fix their remuneration
- 3) Appointment of Shri Sanjay Goel as Director of the Company.
- 4) Re-appointment of DG, CERT-In as a Co-opted Director of the Company
- 5) 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-----2018

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, 6th 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 the 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.



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