

ANNUAL REPORT

2019-20





**Join the league of successful
entrepreneurs with .IN domain!**

NATIONAL INTERNET EXCHANGE OF INDIA

Registered Office : Flat No.6C, 6D & 6E, 6th Floor,
Hansalaya Building, 15, Barakhamba Road, New Delhi-110001

Tel.: +91-11-48202000, Fax: +91-11-48202013

www.nixi.in, www.registry.in, www.irinn.in, www.getyourown.in



www.facebook.com/nixiindia



[@inregistry](https://twitter.com/inregistry)



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Nixi Overview

NIXI is a not for profit Organization under section 8 of the Companies Act 2013, and was registered on 19th June, 2003. NIXI 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.

.IN is India's Country Code Top Level domain (ccTLD). The Govt. of India delegated the operations of INRegistry to NIXI in 2004. The INRegistry operates and manages India's .IN ccTLD.

Indian Registry for Internet Names and Numbers (IRINN) in India that provides allocation and registration services of IP addresses and AS numbers, and contributes to the society by providing Internet-related information as a non-profit, affiliation-based organisation, and performing research, education and enlightenment activities.



*"NIXI"
would like to
be the leader
in Internet
as Facilitator
and Managed
Service Provider
with affordable,
safe and secure
Internet
environment
in India."*
CEO-NIXI

NIXI - TEAM

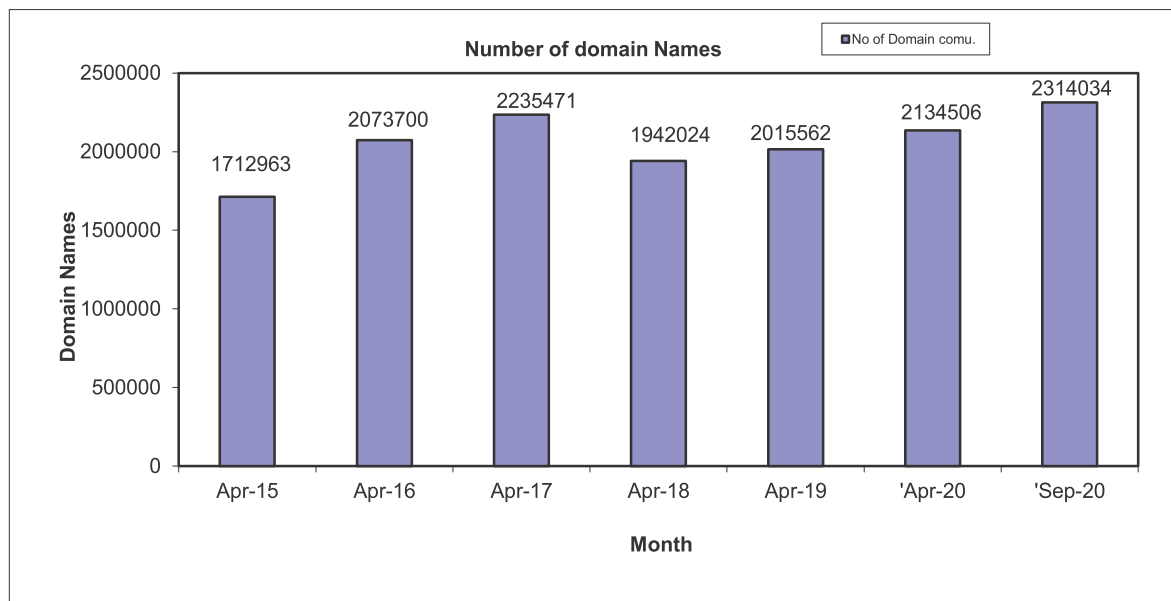


Performance Over the Years

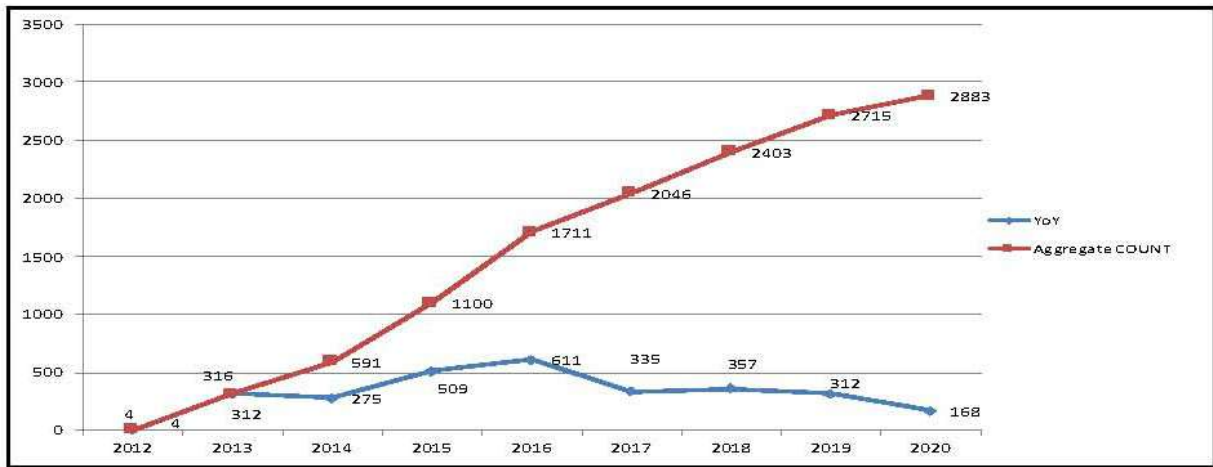
Cumulative exchange traffic growth in Gbps.



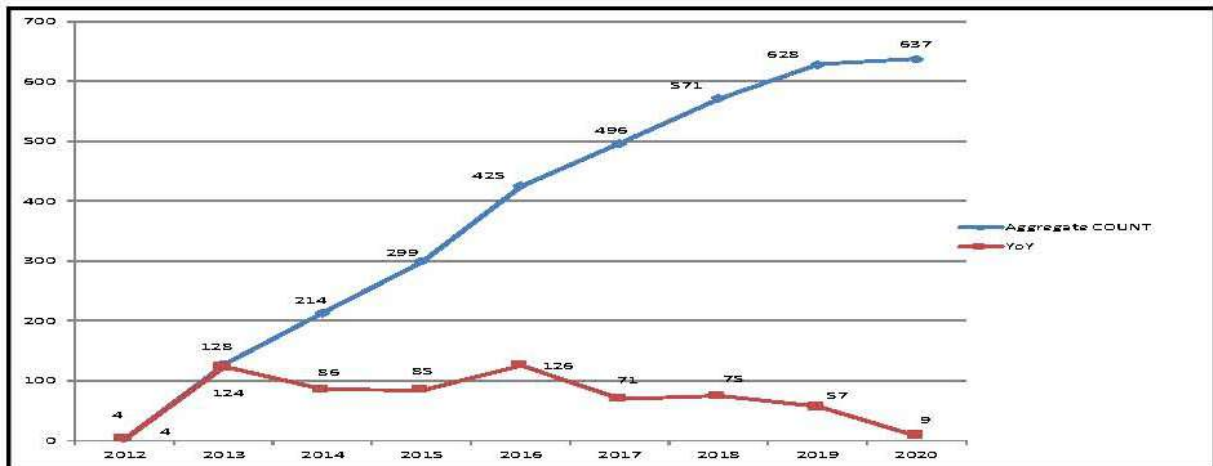
Growth in .in



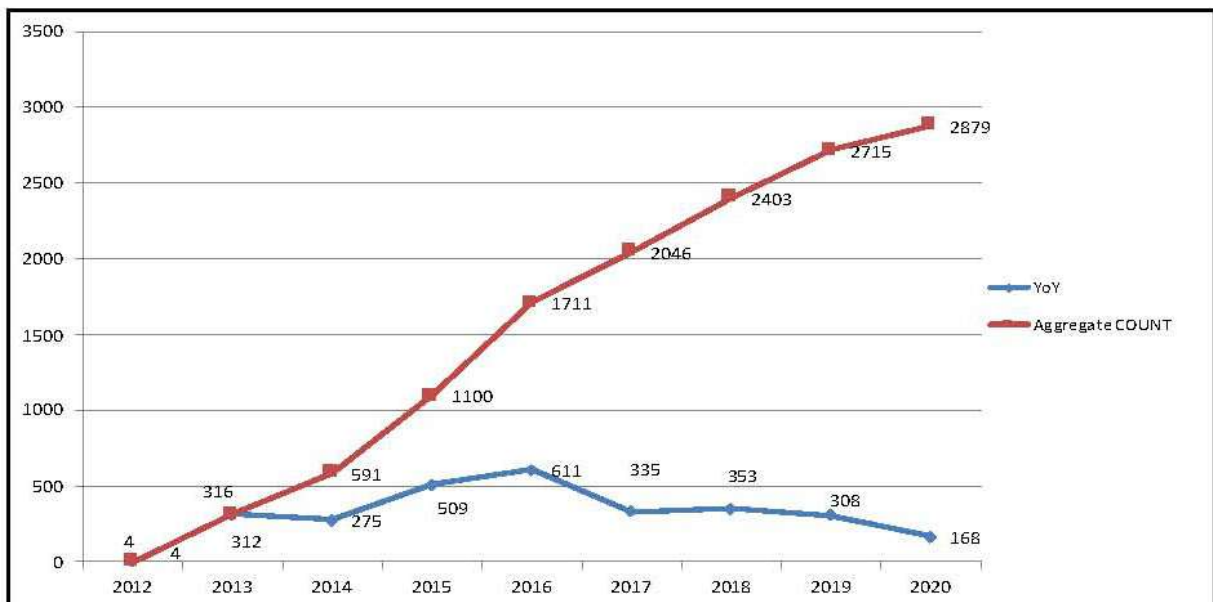
Growth of affiliates.



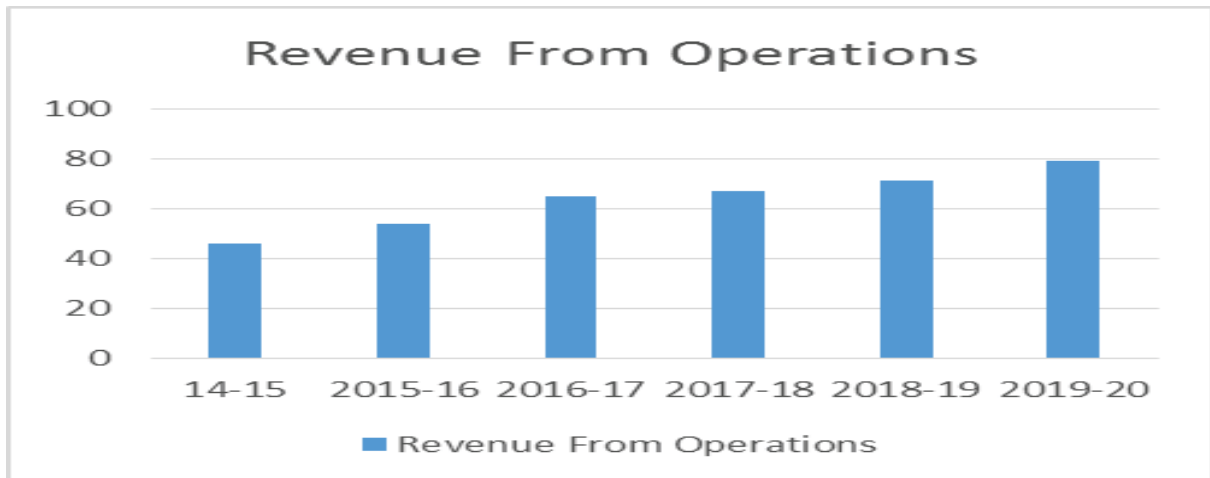
Growth of IPv6



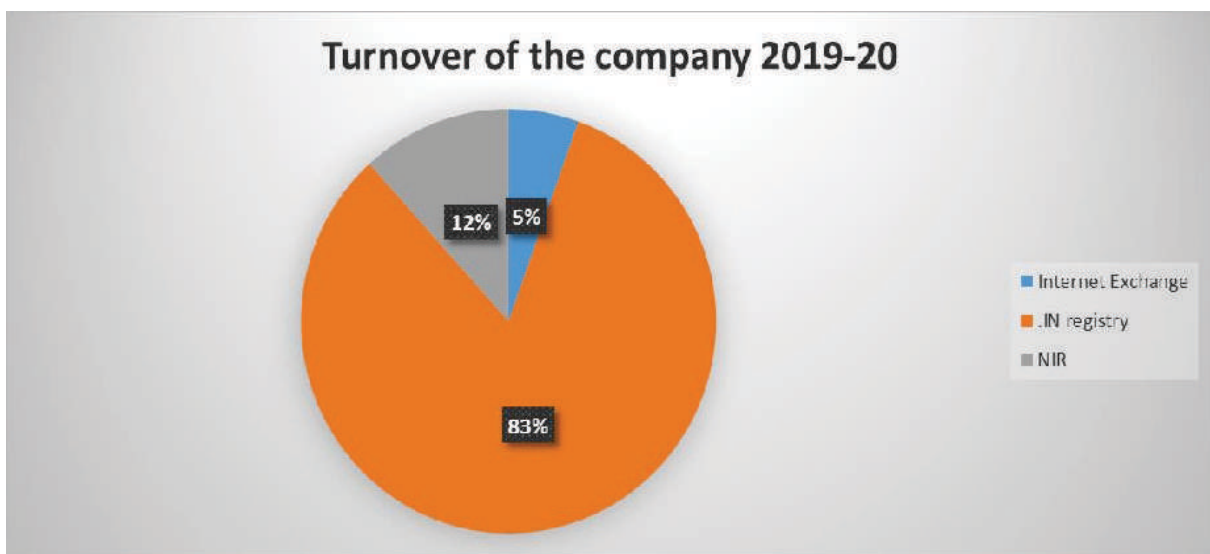
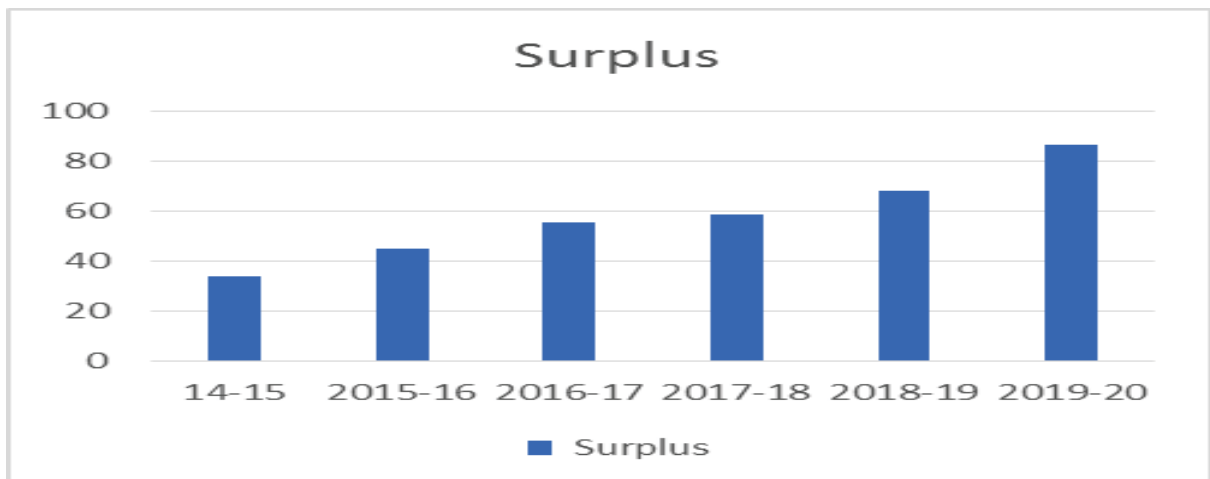
Growth of IPv4

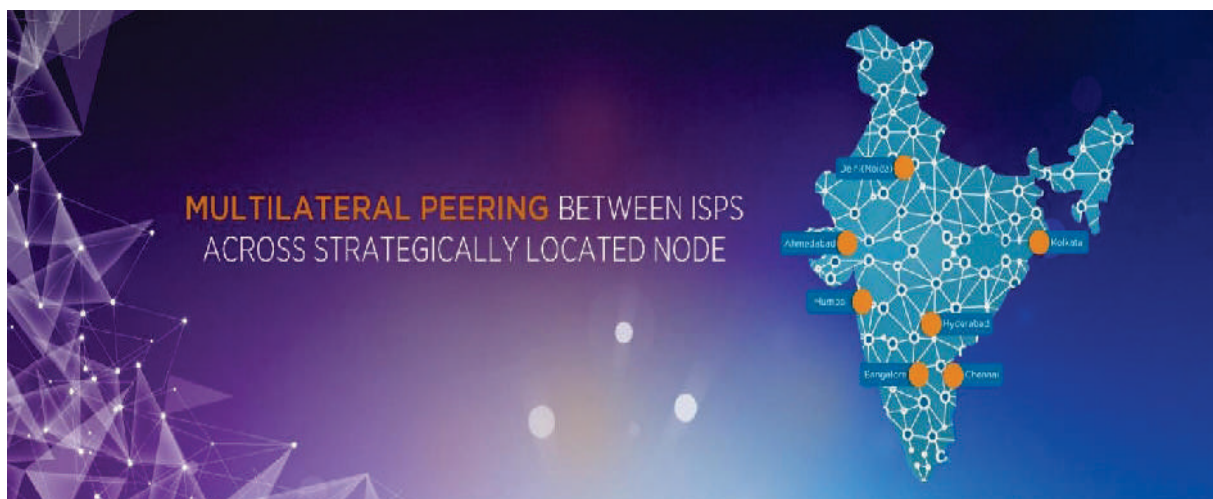


Growth in Revenue from Operations



Growth in surplus





Business Segment Review

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.

.IN Registry: .IN Registry functions with primary responsibility for managing Country Code Top Level Domains (ccTLDs). Presently, 137 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 all official languages of India.

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.

CHAIRMAN'S MESSAGE



*Shri Ajay Prakash Sawhney, IAS
Secretary, Ministry of Electronics & Information Technology,
Government of India*

Dear Stakeholders,

A hearty welcome to all of you to the 17th Annual General Meeting of National Internet Exchange of India.

Unprecedented times require unprecedented measures. This is for the first time in the history of NIXI that the AGM is being conducted both on virtual basis as well as physically. This is a new experience for the members as well as for the Management. Social distancing is a new norm to be followed and we all have accepted the new norms for a better future. On the positive side, the virtual meeting has widened the horizon of participation of members and given us an opportunity to interact with wide spectrum of our members.

Nevertheless given the current volatile situation, our Organisations has implemented various measures and looking at only affairs of critical capital expenditures to conserve our financial resources and further strengthen our wherewithal to address any emerging situation. At the same time NIXI will do it's part to make our Nation "Atmanirbhar". As I look forward, I wish and hope that the global efforts in fighting the pandemic will bear some quick results and we will to emerge out of these testing times and get back to leading our lives, as usual. However, there is no doubt that this new 'norm' would be very different from what we have been used to and this would call for an increased focus on adaptability to new reality.

The outbreak of Covid-19 pandemic has left countries across the globe shaken and battered and the world economy has come to a 'sudden stop'. However, during these challenging times, your company continue to perform and shown an impressive growth.

Internet and its Governance has taken a centre stage in all facets of human activities and is playing a critical role in country's social, political, economic, trade and commerce.

The transformative power of Internet is very evident in the way we communicate, seek information, conduct trade, access health and other citizen centric services etc.

The ongoing Covid-19 pandemic has further enforced the central role of Internet not only for Individuals but for the Industry and Government as well.

As the Internet and it's uses have grown exponentially, role of your company in building Nation around Internet is also increasing and well recognised in the Industry.

The Annual Report of the Company had already been circulated to you and with your permission, I will take it as read. I am sure that the same has received your due attention.

Your Organisation have shown an impressive growth both in physical and financial terms.

During the financial year 2019-20, the operational revenue has gone up from Rs. 7115.39 lacs to Rs. 7922.92 lacs and made a net comprehensive surplus of Rs. 8652.43 lacs (Previous Year Rs. 6817.29 lacs) after consideration of interest income and other Misc income of Rs. 3559.85 lacs (Previous year Rs. 2187.62 lacs).

Beyond expectation improvement is registered in all the three business verticals of your company.

1. Internet Exchange: The Number of members have been increased and the data traffichas registered a growth of 30%

2. National Internet Registry (NIR): Total Number of affiliates have been increased. This has resulted in total uptake of 6.6 Billion IPV6 and 10.4 Million IPV4 Addresses



3. *.IN Domain: Total number of active domains have registered a growth of more than 10% and achieved a market share of 30 % amongst Total domain counts in the country.*

Way Forward:

Government's flagship program of Digital India is designed to transform India into a knowledge economy and digitally empower society by realising the full potential of fast paced technological advancement.

To meet the aspirations of all stake holders and Government at large, a very ambitious five year plan is drafted to take your company on the path of multifold growth. During 2020-2021, we are expected to grow more than 25% in each business vertical despite pandemic.

The organisation has a very ambitious plan to cover every part of the country and ensuring that it facilitates the exchange of domestic internet traffic within the country by optimal usage of data and thus saving huge bandwidth cost of the country.

At present world has recognised that India is the flag bearer in adoption of IPV6. NIXI has ambitious plan to take this march of IPV6 ahead. NIXI will ensure that the registry extends service and learning tools to the affiliates and general users at par with any other Global registry.

.in and .Bharat are moving towards preferred Top level Domain (TLD) for the Nation. The present market share is 30% but with a present business plan counting code Top level Domain (ccTLD) are planned to take the market leadership position in the coming years

I am happy to inform that NIXI has got a dynamic leader as CEO. Shri Anil Kumar Jain who has long experiences in DOT/BSNL/MTNL, who was also on NIXI Board, has recently joined NIXI family as CEO.

Directors express their gratitude to the Government of India, Ministry of Electronics and Information Technology, and all stake holders for their kind co-operation. Directors' place on record the appreciation for the overwhelming co-operation and assistance received from the Bankers, customers, affiliates, registrars, ICANN, APNIC, IGF 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 2019-20.

Ajay Prakash Sawhney,

(Chairman, Nixi/Secretary, MeitY)

NIXI VISION AND MISSION



VISION

To Promote Internet.

MISSION

The Main Objects to be pursued by the Company on its incorporation are:

- 1. To Promote Internet.*
- 2. To set up, when needed, in select location(s)/parts/regions of India Internet Exchanges/Peering Points.*
- 3. To enable effective and efficient routing, peering, transit and exchange of the Internet traffic within India.*
- 4. To continuously work for enhancing and improving the quality of Internet and Broadband services.*
- 5. Set up. Internet Domain Name Operations and related activities.*

Corporate Information

BOARD OF DIRECTOR'S



Shri Ajay Prakash Sawhney, IAS

Secretary, MeitY

Date of Birth

04-02-1962

e-mail ID

secretary@meity.gov.in

Date of appointment

08-07-2017

Education Qualification

Degree in mechanical engineering and is also an alumnus of IIT Delhi



Ms. Jyoti Arora, IAS

Special Secretary & Financial Adviser, MeitY

Date of Birth

15-10-1961

e-mail ID

faoffice.deity@nic.in

Date of appointment

30-09-2019

Education Qualification

P.G in Economics



Dr. Rajendra Kumar, IAS

Additional Secretary, MeitY

Date of Birth

03-01-1967

e-mail ID

as@meity.gov.in

Date of appointment

29-07-2020

Education Qualification

Ph.D. (MIT, U.S.A.)

Area of specialization

IT and e-Governance, Public Administration.

Expertise

Specialist in IT and e-Governance, Public Policy and Administration



Shri Sanjay Goel, IRTS

Joint Secretary, MeitY

Date of Birth

17-12-1960

e-mail ID

js.sgoel@meity.gov.in

Date of appointment

12-09-2018

Education Qualification

B.Tech (Civil Engineering)



Dr. Sanjay Bahl

Director General, Indian Computer Emergency Response Team (CERT-In)

Date of Birth

15-03-1962

e-mail ID

sanjay.bahl@gov.in

Date of appointment

08-12-2017

Education Qualification

BE(Electrical), MTech (Systems & Management), PhD

Area of Specialisation

Cyber Security & Foreign Trade



Dr. Hazur Saran

Professor, CSE IIT Delhi

Date of Birth

25-04-1961

e-mail ID

saran@cse.iitd.ac.in

Date of appointment

25-07-2020

Education Qualification

Ph. D in Computer Science, B.Tech in Electrical Engineering

Area of Specialisation

Computer Networks and Algorithms, 4G wireless technologies



Shri, Souvick Chatterjee

*VP & COO(Cable TV& Broadband)
Indian Cable Net Company Ltd.*

Date of Birth

14-11-1974

e-mail ID

souvick.chatterjee@siti.esselgroup.com

Date of appointment

20-05-2020

Education Qualification

MMA, APDM, IMAI, Diploma in Cyber Law,

Area of Specialisation

*Print Media, Electronic Media, Telecom, Information
Technology, Broadband and Multi System Operator with
Video & Data Distribution.*



Shri Bindhumadhava Sundaramurthy Bapu

Senior Director, C-DAC, Bangalore

Date of Birth

19-07-1963

e-mail ID

bindhu@cdac.in

Date of appointment

03-06-2020

Education Qualification

MS (Electronics & Control), BE (Electrical & Electronics)

Area of Specialisation

Industrial Automation & Information Technology



Shri Narendra Nath Gangavarapu

*Joint Secretary, National Security Council Secretariat,
Government of India*

Date of Birth

07-10-1960

e-mail ID

gn.nath@nic.in , gnnath@gmail.com

Date of appointment

20-05-2020

Education Qualification

B E Instrumentation

Area of Specialisation

Internet & Technology Evangelist



Shri Choudhury Bijoya Kumar Das

Dy. Director General, NIC

Date of Birth

27-04-1969

e-mail ID

bkd@nic.in

Date of appointment

20-05-2020

Education Qualification

B.E.(Electronics), M.Tech.(Computer Science)

Area of Specialisation

Computer Communication And Data Networks



Shri Dilip Kumar Barman

Director, ERNET India

Date of Birth

20-10-1968

e-mail ID

barman@eis.ernet.in

Date of appointment

20-12-2019

Education Qualification

M. Tech(Information Technology)

Area of Specialisation

Information Security



Shri Devesh Tyagi

Senior Director, Software Technology Parks of India (STPI)

Date of Birth

16-07-1965

e-mail ID

devesh@stpi.in

Date of appointment

20-12-2019

Education Qualification

BE (Computer Sc. & Engg.), M.S.

Area of Specialisation

Information Technology



Shri Sharad Shyam Sanghi

Managing Director, Net Magic Solutions Pvt.Ltd

Date of Birth

28-10-1966

e-mail ID

Sharad@netmagicsolutions.com

Date of appointment

20-12-2019

Education Qualification

M.S, E.E

Area of Specialisation

*Developing Internet backbone infrastructure and
providing Internet services*



Shri Pinkesh Narendrabhai Kotecha

Managing Director, Ishan Netsol Pvt Ltd

Date of Birth

18-08-1977

e-mail ID

pinkesh@ishanitech.biz

Date of appointment

20-12-2019

Education Qualification

B E Instrumentation

Area of Specialisation

Internet & Technology Evangelist



Shri Venkat Ramanan

Sr. Vice President - Legal and Corporate affairs, World Phone Internet Services Pvt. Ltd.

Date of Birth

18-04-1968

e-mail ID

venkat@worldphone.in

Date of appointment

20-12-2019

Education Qualification

B.A (English) Hons. , PG Diploma in Advertising and Public Relations, PG in Business Management

Area of Specialisation

Corporate Affairs & Marketing



Shri Praveen Sharma

Vice President - Regulatory Affairs, Tata Communication Ltd.

Date of Birth

22-08-1963

e-mail ID

praveensharma@tatacommunications.com

Date of appointment

20-01-2020

Education Qualification

BE, Electronics & Telecommunications

Area of Specialisation

Supporting organization in critical policy matters, regulatory, compliances, security issues and licensing matters.



Shri Shyam Sreedharan Nair

Head- Regulatory Affairs, Sify Technologies Limited

Date of Birth

24-08-1974

e-mail ID

shyanair@gmail.com

Date of appointment

20-12-2019

Education Qualification

Post Graduate in Political Science

Area of Specialisation

TELECOM



**.IN domains make you
to stand in parity with other
giants in the market.**

CEO



Shri, Anil Kumar Jain, ITS

<i>Date of Birth</i>	:	<i>20th July, 1958</i>
<i>Email ID</i>	:	<i>ceo@nixi.in</i>
<i>Date of Appointment</i>	:	<i>31st July, 2020</i>
<i>Education</i>	:	<i>B Tech (Electronics and Telecommunications) MBA (Gold Medalist)</i>
<i>Work Experience</i>	:	<i>- ITS officer from July 1983 – July 2018 - 40 Years in IT & Telecommunications - Director, NIXI (2008 -2019)</i>
<i>Area of Expertise</i>	:	<i>Telecommunication – Technology Management Information Technology, Smart City, Next Generation Networks, Broadband</i>

AUDITORS

Statutory Auditor

M/s SS Kothari Mehta & Co., Chartered Accountants

Internal Auditor

M/s Vinay Jain & Associates, Chartered Accountants

DIRECTORS' REPORT

To

The Members

The Directors are pleased to present the 17th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ending March 31, 2020.

FINANCIAL RESULTS

(Rs. in lacs)

	Year Ended	
	2019-2020	2018-2019
INCOME		
- Membership Fees	.83	.71
- Registration Charges (.IN)	6358.4	5349.95
- Connectivity Charges (IX)	421.95	365.76
- Data transfer Differential (net)	0	155.05
- Affiliation Fees	1137.12	1240.32
- Other income	456.56	264.01
- Interest earned	3103.29	1923.61
Total Income (A)	11478.15	9303.01
EXPENDITURE		
- Technical & Operating Expenses	1054.47	1870.29
- Establishment	253.66	203.06
- Administrative and Promotional Expenses	1458.55	385.44
- Depreciation	46.78	29.76
Total Expenditure (B)	2813.46	2488.58
Surplus prior to appropriation (C)=(A) - (B)	8664.69	6814.43
Add: Other Comprehensive Income (D)	(12.26)	2.87
Total Comprehensive Surplus for the period (C)+(D)	8652.43	6817.29

OPERATIONS:

During the financial year, the operational revenue has gone up from Rs. 7115.39 lacs to Rs.7922.92 lacs and made a net comprehensive surplus of Rs. 8652.43 lacs (Previous Year Rs. 6817.29 lacs) after consideration of interest income and other Misc income of Rs.3559.85 lacs (Previous year Rs. 2187.62 lacs). The surplus includes Rs. 277.31 lacs from exchange operation, Rs. 7279.07 lacs from Registry operations and Rs. 1096.05 lacs from the activity of National Information Registry (NIR).



Registrar Annual Meeting (June, 2019) Goa

OUTLOOK FOR THE YEAR 2020-21:

- To increase the quantum of traffic exchange from the present 157 Gbps to approx. 200Gbps (27.38%).
- Increase in no. of Affiliates joining IRINN from 2912 to 3100 approx (6.45%).
- Reaching 2.5 millions from 2.13 million .IN domain registration by 2020-2021(17.37%).



CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of business of the Company during the year 2019-20.

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.

Auditor's Qualification: NIL

STATUTORY 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. Board recommends their reappointment as Statutory Auditors for 2 years from financial year 2020-2021 to 2021-22.

DIRECTORS:

Shri Rajesh Chharia retired from the post of Nominee Directorship w.e.f 01.10.2019. Elected Director whose tenure was 30.09.2019 were retired from the post of Elected Director w.e.f 01.10.2019. Detail are as under:

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

The nomination of Smt. Kiran Soni Gupta, IAS from the post of Nominee Director of the Company was withdrawn w.e.f 30.09.2019 on account of her repatriation to her parent cadre. Ms Jyoti Arora, IAS, was appointed as a Nominee Director of the Company w.e.f 30.09.2019.

Election of the Directors was conducted on 20.12.2019 and following Directors were elected:

Shri Venkata Ramanan, Shri Devesh Tyagi, Shri Pinkesh Narendrabhai Kotecha, Shri Dilip Kumar Barman, Shri Sharad S. Sanghi, Shri Shyam Sreedharan Nair and Shri Praveen Sharma

The Board placed on record its appreciation for the contribution made by Smt. Kiran Soni Gupta, Shri Rajesh Chharia, Dr. Omkar Rai, Shri Anil Kumar Jain, Shri R.S. Mani, Shri S R Sayal, Shri Jagmohan Singh and Shri M.P.Vijay Kumar 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 2019-20:

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	30/09/2019	14	10
2	24/03/2020 was post pone due to corona virus (covind19) crises and same was held on 20/05/2020	12	10

B) Committee meetings:

i) Audit Committee

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	24/09/19	4	4

C) Attendance of Directors:

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	Ms. Jyoti Arora	2	2	100	1	1	1	100
4	Shri Sanjay Goel	2	2	100	3	1	1	100
5	Shri Gopalkrishnan S.	2	1	50	-	-	-	-
7	Shri Rajesh Chharia	1	1	100	2	1	1	100
8	Dr. Sanjay Bahl	2	1	50	1	-	-	-
9	Dr. Omkar Rai	1	1	100	1	-	-	-
10	Shri Anil Jain	1	1	100	2	-	-	-
11	Shri M. P. Vijay Kumar	1	0	0	-	-	-	-
12	Shri R S Mani	1	1	100	1	-	-	-
13	Shri Dilip Barman	2	2	100	-	-	-	-
14	Shri Suhru Ram Sayal	1	1	100	1	1	1	100
15	Shri Pinkesh Kotecha	2	1	50	1	-	-	-
16	Shri Jagmohan Singh	1	0	0	1	-	-	-
17	Shri Devesh Tyagi	1	1	100				
18	Shri Venkat Ramanan	1	1	100				
19	Shri Shyam Sreedharan Nair	1	1	100				
20	Shri Praveen Sharma	1	1	100				
21	Shri Sharad Shyam Sanghi	1	1	100				



PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

(SEC. 188): Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure I in Form AOC-2 and the same forms part of this report.

And also may be referred to Note No.33 of Other Notes to Accounts of Financial statement

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. Jyoti Arora
2	Shri Sanjay Goel
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 2019-20 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 2019-20 are not applicable to the Company.



Registrar Annual Meeting (June, 2019) Goa

SEXUAL HARASSMENT OF WOMEN

Company has Corporate Governance 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.

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.

The Company has adequate internal financial control system in place which operates effectively. According to the Directors of your Company, elements of risks that threaten the existence of your Company are very minimal. There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company operations in future.



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 (Represents the total collection made in foreign currency to be proportionately allocated as income over the period of domain registered).	Rs.3.45 Cr.
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Expenditure in Foreign Currency

-Membership Fee, Subscription & Travelling	Rs.1.11Cr.
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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 Indian 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 Electronic and Information Technology 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: 22nd September, 2020

(Dilip Kumar Barman)

Director

DIN: 7322268

(Praveen Sharma)

Director

DIN: 8673222

Annexure I

Form No. AOC-2

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

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's 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 2019-20.

2. Details of material contracts or arrangement or transactions at arm's length basis: The Company has entered into following contract with its related parties during the financial year 2019-20.

Name of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts / arrangements/ transactions	Date of approval by the Board	Amount paid as advances, if any	Transactions including the value (Rs.)
(a) Madhav Cement Private Limited	Enterprise over which key management personnel (Director) is having significant influence.	Revenue from NIR operations(Renewal of IP resources)	Related to the Financial Year 2019-20		NIL	50,806
(b) Ishan Infotech Limited	Enterprise over which key management personnel (Director) is having significant influence.	No transaction during the period	Related to the Financial Year 2019-20		NIL	-
(c) Ishan Netcom Private Limited	Enterprise over which key management personnel (Director) is having significant influence.	Revenue from NIR operations(Renewal of IP resources)	Related to the Financial Year 2019-20		NIL	50,806
(d) Ishan Netsol Private	Enterprise over which key management personnel (Director) is having significant	Revenue from NIR operations(Renewal of IP resources)	Related to the Financial Year 2019-20		NIL	1,67,607

Limited	influence	Revenue from Exchange operations(Membership & Port fees)	Related to the Financial Year 2019-20		NIL	3,55,180
(e) CSC E-Governance Services India Limited	Enterprise over which key management personnel (Director) is having significant influence.	Revenue from Exchange operations(Membership Fee)	Related to the Financial Year 2019-20		NIL	1,180
		Revenue from Dot In operations(Registration fee)	Related to the Financial Year 2019-20		NIL	53,69,975
(f) National Institute for Smart Government	Enterprise over which key management personnel (Director) is having significant influence.	Dot In Expense (Professional Charges)	Related to the Financial Year 2019-20		NIL	(4,05,671)
(g)STPI	Enterprise over which key management personnel (Director) is having significant influence.	Revenue from NIR operations(Renewal of IP resources)	Related to the Financial Year 2019-20		NIL	2,96,913
		Revenue from Exchange operations(Membership & Port fees)	Related to the Financial Year 2019-20		NIL	60,180
		Revenue from Dot In operations(Registration fee)	Related to the Financial Year 2019-20		NIL	413
		Exchange Operational Expenses	Related to the Financial Year 2019-20		NIL	(11,65,676)
(h) Life Positive Pvt Ltd	Enterprise over which key management personnel (Director) is having significant influence.	Revenue from NIR operations(Renewal of IP resources)	Related to the Financial Year 2019-20		NIL	80,306
(I) Magus Sales and Services Pvt Ltd	Enterprise over which key management personnel (Director) is having significant influence.	Revenue from NIR operations(Renewal of IP resources)	Related to the Financial Year 2019-20		NIL	50,806



(j) Speed India .Com Holdings Pvt Ltd	Enterprise over which key management personnel (Director) is having significant influence.	Revenue from NIR operations(Renewal of IP resources)	Related to the Financial Year 2019-20		NIL	37,634
(k) World Phone Infrastructure Services Pvt Ltd	Enterprise over which key management personnel (Director) is having significant influence.	Revenue from NIR operations(Renewal of IP resources)	Related to the Financial Year 2019-20		NIL	50,806
(l) Net magic Solutions Pvt Ltd	Enterprise over which key management personnel (Director) is having significant influence.	Revenue from Exchange operations(Membership & Port fees)	Related to the Financial Year 2019-20		NIL	27,73,759
(m) Net magic IT Services Pvt Ltd	Enterprise over which key management personnel (Director) is having significant influence.	Revenue from NIR operations(Renewal of IP resources)	Related to the Financial Year 2019-20		NIL	1,50,352
		Exchange Operational Expenses	Related to the Financial Year 2019-20		NIL	(12,54,650)
(n) NTT Communications India Network Services Pvt Ltd	Enterprise over which key management personnel (Director) is having significant influence.	Revenue from NIR operations(Renewal of IP resources)	Related to the Financial Year 2019-20		NIL	37,635
(o) APNIC	Enterprise over which key management personnel (Director) is having significant influence.	NIR Operational Expense	Related to the Financial Year 2019-20		NIL	(93,60,778)

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

Place : New Delhi

Date: 22nd September, 2020

(Dilip Kumar Barman)

Director

DIN: 7322268

(Praveen Sharma)

Director

DIN: 8673222



ANNEXURE II

EXTRACT OF ANNUAL RETURN

for the financial year ended on 31st March 2020

[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	5.48%
2	.IN registry	NA	82.82%
3	NIR	NA	11.70%

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



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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: 22nd September, 2020

(Dilip Kumar Barman)

Director

DIN: 7322268

(Praveen Sharma)

Director

DIN: 8673222



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.1.15 Cr for FY 2019-20 in the PMNRF and contributed Rs. 5 crores from reserves of NIXI for the purpose of relief efforts for COVID 19 launched through PM CARES fund. Further, the Board opined to explore areas for spending CSR corpus that neither has direct connection to the business of the Company nor completely unrelated to its objectives.

(2) Composition of the CSR Committee as on 31st March 2020:

S.No.	Members	
1	Shri Sanjay Goel	CEO, Director, Chairman of the Committee
2	Shri Anil Jain	Director
3	Shri R S Mani	Director
4	Shri Rajesh Chharia	Director
5	Shri Jagmohan Singh	Director

(3) Average net surplus of the company for last three financial years: Rs. 5752.46 lacs

(4) Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 1.15Cr.

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

(a) Total amount spent for the financial year: Rs. 1.15 Cr.

(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	Amount Spent direct or through implementing agency
1	Prime Minister's Relief Fund	Contributions to Prime Minister's Relief Fund	NA	Rs. 1.15 Cr.	Rs. 1.15 Cr.	Rs. 1.15 Cr.	Rs. 1.15 Cr.
2	PM CARES fund (COVID 19, Extra spend)	PM CARES fund ((COVID 19, Extra spend)	NA	5.00 Cr.	5.00 Cr.	5.00 Cr.	5.00 Cr.

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: 22nd September, 2020

(Dilip Kumar Barman)

Director

DIN: 7322268

(Praveen Sharma)

Director

DIN: 8673222



Independent Auditors' Report

To
The Members
National Internet Exchange of India

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of National Internet Exchange of India ("the Company"), which comprise the Balance Sheet as at March 31, 2020, Income and Expenditure Account (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the surplus and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 33 of the accompanying financial statements which, describes the company's assessment of impact on the financial statements and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.



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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report particularly with respect to the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above If, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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



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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our Opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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



Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraph 3 & 4 of the Companies (Auditor's Report) Order, 2016 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.

2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.
- (c) The Balance Sheet, Income and Expenditure Account (including other comprehensive income), the Statement of Cash Flow and Statement of Change in Equity dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rule issued thereunder.
- (e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of sub-section 2 of section 164 of the Act.
- (f) The provision of section 197 read with schedule V to that are not applicable to the company since the company has not paid any remuneration to its directors. Accordingly, reporting under section 197(16) is not applicable.
- (g) 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". and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements — Refer Note 16 to the standalone financial statements.



- ii. The company has made adequate provision, as required under the law or accounting standards for material foreseeable losses, if any on long term contracts including derivative contracts.
- iii. There were no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SS KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No: 000756N

Place : New Delhi

Date : 22nd September, 2020

NAVEEN AGGARWAL
Partner
Membership No:094380



“Annexure A” to the Independent Auditor’s Report of even date on the Standalone 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”) as referred to in paragraph 2(f) of „Report on Other Legal and Regulatory Requirements’

We have audited the internal financial controls over financial reporting of National Internet Exchange of India (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 were operating effectively as at March 31, 2020, 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.

For SS KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No: 000756N

Place : New Delhi

Date : 22nd September, 2020

NAVEEN AGGARWAL
Partner
Membership No:094380



NATIONAL INTERNET EXCHANGE OF INDIA
CIN-U72900DL2003NPL120999
STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

(Rs.)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1. Non Current Assets			
a. Property, Plant & Equipment	2	91,76,528	1,30,81,553
b. Other Intangible Assets	3	12,106	16,948
c. Financial Assets			
i. Other Financial Assets	4a	89,71,00,000	10,63,76,367
d. Other Non Current Assets	5a	1,10,19,936	54,84,54,589
TOTAL NON CURRENT ASSETS		91,73,08,570	66,79,29,457
2. Current Assets			
a. Financial Assets			
i. Trade Receivables	4c	6,19,74,451	6,19,30,681
ii. Cash and cash Equivalents	4d	12,84,25,805	27,97,52,854
iii. Bank Balances other than (ii) above	4e	2,68,29,14,940	2,79,57,70,238
iv. Other Financial Assets	4b	56,52,36,578	7,44,67,105
b. Current Tax Assets (Net)	6	38,17,21,473	52,77,70,524
c. Other Current Assets	5b	56,45,45,935	2,01,88,502
TOTAL CURRENT ASSETS		4,38,48,19,182	3,75,98,79,904
TOTAL ASSETS		5,30,21,27,752	4,42,78,09,361
II. EQUITY AND LIABILITIES			
A Equity			
a. Capital Fund	7	4,46,55,30,396	3,60,02,87,231
TOTAL EQUITY		4,46,55,30,396	3,60,02,87,231
B Liabilities			
1. Non Current Liabilities			
a. Financial Liabilities			
i. Other Financial Liabilities	8b	8,53,785	16,61,165
b. Other Non Current Liabilities	9a	21,75,77,571	20,39,87,561
c. Provisions	10a	22,17,581	8,35,414
TOTAL NON CURRENT LIABILITIES		22,06,48,937	20,64,84,140
2. Current Liabilities			
a. Financial Liabilities			
i. Trade Payables			
Dues of Micro Enterprises and Small Enterprises	8a	7,50,504	63,842
Dues of Creditors Other than Micro Enterprises and Small Enterprises	8a	3,54,06,412	5,49,84,266
ii. Other Financial Liabilities	8c	2,06,29,691	3,15,95,777
b. Other Current Liabilities	9b	55,91,61,812	53,43,94,105
c. Provisions	10b	-	-
TOTAL CURRENT LIABILITIES		61,59,48,419	62,10,37,990
TOTAL EQUITY AND LIABILITIES		5,30,21,27,752	4,42,78,09,361

Notes to Accounts

1 - 36

The accompanying notes referred to above form an integral part of the standalone financial statements

As per our Report of even date attached

For S S Kothari Mehta & Company

Chartered Accountants

Firm Reg. No. 000756N

For and on behalf of the Board of Directors

Naveen Aggarwal

Partner

Membership No. 094380

Dilip Kumar Barman

Director

DIN: 7322268

Praveen Sharma

Director

DIN: 8673222

Place : New Delhi

Date: 22nd September, 2020



NATIONAL INTERNET EXCHANGE OF INDIA
CIN-U72900DL2003NPL120999

STANDALONE STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	Year Ended March 31, 2020 (Rs)	Year Ended March 31, 2019 (Rs)
I Revenue from Operations	11	79,22,92,130	71,15,39,020
II Other Income	12	35,55,23,123	21,87,62,487
III Total Income (I+II)		1,14,78,15,253	93,03,01,507
IV Expenses:			
Operational Expenses	13	10,54,46,636	18,73,29,184
Employee Benefits Expense	14	2,53,66,235	2,26,11,568
Depreciation & Amortization Expense	2&3	46,77,831	29,78,670
Other Expenses	15	14,58,54,798	3,59,39,258
Total Expenses (IV)		28,13,45,500	24,88,58,680
V Surplus before tax (III-IV)		86,64,69,753	68,14,42,827
VI Tax expense		-	-
VII Surplus for the period (V-VI)		86,64,69,753	68,14,42,827
VIII Other Comprehensive Income (Net of Tax)			
Items that will not be reclassified to Profit or Loss			
Remeasurement Gain or (Loss) on Defined Benefit Plans		(12,26,588)	2,86,600
Income Tax on the above item			
Total Other Comprehensive Income (Net of Tax)		(12,26,588)	2,86,600
IX Total Comprehensive income for the period (VII+VIII) (Comprising profit (Loss) and Other Comprehensive Income for the period)		86,52,43,165	68,17,29,427

Notes to Accounts

1 · 36

The accompanying notes referred to above form an integral part of the standalone financial statements

As per our Report of even date attached

For S S Kothari Mehta & Company

Chartered Accountants
Firm Reg. No. 000756N

For and on behalf of the Board of Directors

Naveen Aggarwal
Partner

Membership No. 094380

Dilip Kumar Barman
Director
DIN: 7322268

Praveen Sharma
Director
DIN: 8673222

Place : New Delhi

Date: 22nd September, 2020

NATIONAL INTERNET EXCHANGE OF INDIA
CIN-U72900DL2003NPL120999

STANDALONE STATEMENT OF CHANGES IN CAPITAL FUND FOR THE YEAR ENDED 31ST MARCH, 2020

Capital Fund		Capital Fund				Other Comprehensive Income (OCI)		Total Capital Fund
Particulars		Capital Grant	Special Reserve	Marketing Fund	Accumulated Surplus	Items that will not be Reclassified to Profit or loss		
						Remeasurement Gain / (Loss) of the defined benefit plans (Net of Tax)		
Balance as at April 01, 2019		-	2,64,39,37,912	14,98,36,793	80,58,69,235	6,43,291	3,60,02,87,231	
Surplus for the Year March 31, 2020		-	-	-	86,64,69,753		86,64,69,753	
Transfer from Accumulated Surplus		-	71,42,33,947	-	-		71,42,33,947	
Utilised during the year		-	-	-	-		-	
Other Comprehensive Income(net of tax) for the year ended March 31 2020						(12,26,588)	(12,26,588)	
Transfer to Special Reserve					(71,42,33,947)		(71,42,33,947)	
Transfer to Marketing Fund							-	
Balance as at March 31, 2020		-	3,35,81,71,859	14,98,36,793	95,81,05,041	(5,83,297)	4,46,55,30,396	

As per our Report of even date attached

For S S Kothari Mehta & Company

Chartered Accountants

Firm Reg. No. 000756N

For and on behalf of the Board of Directors

Naveen Aggarwal

Partner

Membership No. 094380

Place : New Delhi

Date: 22nd September, 2020

Dilip Kumar Barman

Director

DIN: 7322268

Praveen Sharma

Director

DIN: 8673222

**NATIONAL INTERNET EXCHANGE OF INDIA**

CIN-U72900DL2003NPL120999

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2020

Particular	As At March 31, 2020	As At March 31, 2019
(A) Cash from operational activities		
Surplus from operational activities	86,52,43,165	68,17,29,427
Adjustments for		
Depreciation 46,77,831		29,78,670
Interest Earned (34,63,29,448)		(21,72,85,433)
Discarded of Fixed Assets -		56,755
Appropriation to Marketing Fund & Accumulated Surplus	(34,16,51,617)	(68,22,094)
Operational Surplus before working capital changes	52,35,91,548	46,06,57,325
(Increase)/Decrease in Receivables (43,771)		(1,08,92,130)
(Increase)/Decrease in Other Current Financial Assets (49,07,69,473)		(1,61,82,142)
(Increase)/Decrease in Other Current Assets (39,83,08,383)		(4,31,25,889)
(Increase)/Decrease in Other Non Current Financial Assets (79,07,23,633)		(8,00,80,681)
(Increase)/Decrease in NonCurrent Assets (Net) -		
(Increase)/Decrease in Other NonCurrent Assets 53,74,34,653		(4,62,44,885)
Increase/(Decrease) in Other Non Current Financial liabilities (8,07,380)		(7,47,101)
Increase/(Decrease) in Other Non Current liabilities & Provision 1,49,72,177		(1,32,53,325)
Increase/(Decrease) in Current Financial liabilities (2,98,57,277)		(3,25,76,798)
Increase/(Decrease) in Other Current liabilities & Provisions 2,47,67,707	(1,13,33,35,379)	11,30,80,077
Net cash from operating Activities	-60,97,43,831	33,06,34,450
(B) Cash Flow from Investing Activities		
Interest Earned	34,63,29,448	21,72,85,433
Sale of Fixed Assets		16,138
Purchase of Fixed assets (7,67,964)		(70,29,778)
Net Increase in Cash and Cash Equivalent	-26,41,82,347	54,09,06,244
Cash and Cash equivalent at the beginning of the Period	3,07,55,23,092	2,53,46,16,848
Cash and Cash equivalent at the end of the Period	2,81,13,40,745	3,07,55,23,092

Notes:

1	Cash and cash equivalentst includes		
	Cash in Hand	5,375	5,212
	Current Accounts	5,74,37,058	9,57,54,923
	Saving Accounts	3,63,61,982	18,39,92,719
	Terms Deposits (Original maturity - period less than 3 months)	3,46,21,390	
	Cash and cash equivalents at the year end (A)	12,84,25,805	27,97,52,854
	Other Bank Balances		
	Terms Deposits (Original maturity - period more than 3 months) (B)	2,68,29,14,940	2,79,57,70,238
	Cash and Bank Balance as on 31 March (A) + (B)	2,81,13,40,745	3,07,55,23,092

2 Figures in bracket indicate cash outflow.

3 Previous year's figures have been rearranged/regrouped/reclassified wherever necessary.

As per our Report of even date attached**For S S Kothari Mehta & Company**

Chartered Accountants

Firm Reg. No. 000756N

For and on behalf of the Board of Directors**Naveen Aggarwal****Partner**

Membership No. 094380

Dilip Kumar Barman**Director**

DIN: 7322268

Praveen Sharma**Director**

DIN: 8673222

Place : New Delhi

Date: 22nd September, 2020



**NATIONAL INTERNET EXCHANGE OF INDIA
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 1: COMPANY OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT
ACCOUNTING POLICIES**

I CORPORATE 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.

II BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard as per the Companies (Indian Accounting Standards) Rules, 2015 (As amended) notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act to the extent applicable.

These financial statements were authorised for issue by the Board of Directors of the Company on 22nd September, 2020.

b) Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

- i. Certain financial assets and liabilities measured at Fair Value / Amortised Cost;
- ii. Defined benefit plan assets measured at Fair Value;

c) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). The financial statements are presented in Indian National Rupee



(‘INR’), which is the Company’s functional and presentation currency.

d) Current or Non current classification

All Assets and Liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the business of the Company and its business time cycle from inception of an order and its completion on realization in cash and cash equivalents, the Company has ascertained the operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

e) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets as at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognised in the financial statements are:

Useful life and residual value of Property, plant and equipment and intangible assets;

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 SIGNIFICANT ACCOUNTING POLICY

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.



a) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including any directly attributable cost of bringing the item to its working condition for its intended use.

An item of property, plant and equipment is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Income & Expenditure.

ii) Depreciation

Depreciation on property, plant and equipment is provided on the written down value method based on the useful life of assets as prescribed under Schedule II of the Companies Act, 2013, which are as follows:

Plant & Equipment (Including Computer, Router & Server)	:	3-6 years
Furniture and Fixtures	:	10 years
Office Equipment	:	5 years
Air conditioner	:	5 years

The Company has estimated the useful lives based on the Assessment made by technical expert, of Air-Conditioners & Coolers different from the life prescribed in Schedule-II to the Companies Act, 2013 from 10 years to 5 years .

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

b) Intangible assets

i) Recognition and measurement

Intangible Assets Acquired Separately

Intangible assets that are acquired by the Company are measured at cost. Subsequent to initial recognition, the assets are measured at cost, less accumulated amortisation



and accumulated impairment losses, if any.

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

All intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Impairment losses, if any, are recognised immediately in standalone statement of income & expenditure.

An item of intangible asset is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal.

Any gain or loss on disposal of an item of intangible assets is recognised in standalone statement of income & expenditure.

ii) Amortisation

Amortization is recognised in the income statement on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use.

The estimated useful lives are as follows:

Software : 10 years

The amortization period and the amortization method for intangible assets are reviewed at each reporting date.

c) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use or fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in Standalone Statement of Income & Expenditure.



d) Financial Instruments

i) Initial recognition

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through income & expenditure, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii) Subsequent measurement

(a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) Method to gross carrying amount of the financial asset, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised or impaired, the gain or loss is recognised in the standalone statement of income & expenditure.

(b) Financial assets at fair value through income & expenditure

Financial assets which is not classified in any of the above categories are subsequently fair valued through income & expenditure.

(c) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(d) Reclassification of Financial Assets and Financial Liabilities



The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost . Except Trade receivables, expected credit losses are measured at an amount equal to the 12-month Expected Credit Loss (ECL), unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

With regard to trade receivable, the Company applies the simplified approach , which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

iv) Derecognition

Financial Assets

Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.



(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instrument that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs require to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

f) Government Grant

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 i.e Capital grant and revenue grant, if any, remaining unutilized is shown under the head "Capital Fund"



and “ Other Current Financial Liabilities” respectively 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 standalone financial statements as an addition to such grant.

g) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

h) Revenue Recognition

Revenue from contracts with customers

The Company derives revenue by providing services of Dot IN Registry , Exchange and NIR.

Ind AS 115 “Revenue from Contracts with Customers” provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.



Revenue from contracts with customers is recognised on completion of contractual performance for the respective period at an amount that reflects the consideration to which the Company expects to be entitled in exchange for services after netting off all the discount provided to the customer on invoice. The Company has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 11 and disclosures of transition approach along with impact of adoption of Ind AS 115 on financial statements are provided in Note 1(r).

Sale of Services

For sale of services, revenue is recognised on satisfaction of performance obligation upon delivery of promised service to customers at an amount that reflects the consideration the Company expects to receive in exchange for those services.

The main categories of revenue and the basis of recognition are as follows:

- a) Income from all of the operations (Exchange, Registry & NIR), including Data Transfer Differential Charges and all other income are recognized on accrual basis.
- b) Arbitration Income is accounted for upon settlement of the proceedings.
- c) 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. This policy is discontinued w.e.f 1st March 2019.

Other Revenue Streams

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of Income & Expenditure



i) 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".

j) Grants Paid

The Grants paid by the company for the projects funded by it are charged off to expenses in the year in which utilisation certificate is received and approved by the company.

k) Income Tax

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.

l) Employee Benefits

i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Short term employee benefit also includes short term compensated absences and are provided on actual basis.

ii) Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. The Company recognises contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognised as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the



end of the reporting period, the Company recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

iii) Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by Life Insurance Corporation of India. The Company contributes to the gratuity fund, which are recognised as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognised in the Standalone Balance Sheet.

When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in standalone statement of income & expenditure.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in statement of income & expenditure. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.



m) Foreign currency transactions

Initial recognition:

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange difference:

Exchange differences are recognised in standalone statement of Income & Expenditure.

n) Segment Reporting

The Company's business activity falls within a single segment viz., Services of Internet. The segment has been identified by taking into account the nature of services, the differing risks, the returns, the organisation structure and the internal reporting systems and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

p) Cash flow statement

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Statement of Cash Flows (Ind AS - 7). The cash flows from regular revenue generating, financing and investing activity of the Company are segregated.



q) Lease

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Company as a lessee

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which it is incurred.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Company as a lessor

Leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the Statement of Profit and Loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms. Contingent rents are recognised as revenue in the period in which they are earned.

Transition to Ind AS 116

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.



The Company has adopted Ind AS 116, effective from April 1, 2019 and applied the standard to its leases using the modified retrospectively approach wherein right of use of asset has been measured at an amount equal to the lease liability adjusting by the account of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of initial application.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The Company has adopted Ind-AS 116, 'Leases' effective from April 01, 2019 and applied the standard to its lease.

r) Changes in accounting policies and disclosures

New and amended standards

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or nonmonetary liability arising from the advance consideration. If there



are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees—leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

NATIONAL INTERNET EXCHANGE OF INDIA NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 CIN-U72900DL2003NPL120999										
2 PROPERTY, PLANT & EQUIPMENT										
Description	Gross Carrying Value			Depreciation			Net Carrying Value			
	As at April 1, 2019	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Property, Plant & Equipment (Including Computer, Router & Server)	6,27,12,761	6,34,01,863	6,34,01,863	4,98,49,111	45,63,727	5,44,12,838	89,89,025	1,28,63,650		
Furniture and Fixture	2,91,531	2,91,531	2,91,531	2,02,000	22,766	2,24,766	66,765	89,531		
Office Equipment	8,91,365	9,70,227	9,70,227	7,62,993	86,496	8,49,489	1,20,738	1,28,372		
Total	6,38,95,657	7,67,964	-	5,08,14,104	46,72,989	-	91,76,528	1,30,81,553		
Previous Year	5,82,46,308	70,29,778	13,80,429	4,91,47,812	29,73,828	13,07,536	1,30,81,553	90,98,496		
3 INTANGIBLE ASSETS										
Description	Gross Carrying Value			Depreciation			Net Carrying Value			
	As at April 1, 2019	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Intangible Asset	65,39,529	65,39,529	65,39,529	65,22,581	4,842	65,27,423	12,106	16,948		
Total	65,39,529	-	-	65,22,581	4,842	-	12,106	16,948		
Previous Year	65,39,529	-	-	65,17,739	4,842	-	16,948	21,790		

**NATIONAL INTERNET EXCHANGE OF INDIA**

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	As At March 31, 2020 (Rs)	As At March 31, 2019 (Rs)
4 FINANCIAL ASSETS		
OTHER FINANCIAL ASSETS		
(a) Non Current		
Considered good unless stated otherwise		
Security Deposits		
- Considered good	-	34,16,999
- Considered doubtful	68,400	68,400
	68,400	34,85,399
Less : Allowance for doubtful debt	-68,400	-68,400
	-	34,16,999
FD Having original maturity more than 12 month and remaining period on reporting date is more than 12 month	89,71,00,000	10,29,59,368
TOTAL	89,71,00,000	10,63,76,367
(b) Current		
Considered good unless stated otherwise		
GST Recoverable (Export) (Refer note 24)	2,16,35,833	2,16,35,833
Interest Accrued on Term Deposits with Banks	8,52,74,051	5,28,31,272
Considered good unless stated otherwise		
Security Deposits		
- Considered good	36,88,650	-
FD Having original maturity more than 12 month but remaining maturity on reporting date is less than 12 month	45,46,38,044	-
TOTAL	56,52,36,578	7,44,67,105
(c) TRADE RECEIVABLE		
Unsecured, considered good unless stated otherwise		
Considered Good	6,19,74,451	6,19,30,681
Considered Doubtful	1,08,48,364	-
Less : ECL(Expected Credit loss)	(1,08,48,364)	-
	-	-
TOTAL	6,19,74,451	6,19,30,681
(d) CASH AND CASH EQUIVALENTS		
Balance with Banks		
- in Current Accounts	5,74,37,058	9,57,54,923
- in Savings Accounts	3,63,61,982	18,39,92,719
Cash on hand	5,375	5,212
FD having original maturity less than 3 month	3,46,21,390	-
TOTAL	12,84,25,805	27,97,52,854
(e) OTHER BANK BALANCES		
Other Fixed Deposit with original Maturity more than 12 months & maturing within 1 year from reporting date	2,68,29,14,940	2,79,57,70,238
TOTAL	2,68,29,14,940	2,79,57,70,238

**NATIONAL INTERNET EXCHANGE OF INDIA**

CIN-U72900DL2003NPL120999

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	As At March 31, 2020 (Rs)	As At March 31, 2019 (Rs)
5 OTHER ASSETS		
(a) Non Current		
Considered good unless stated otherwise		
Prepaid Expenses	16,61,398	10,64,326
Security Deposits		
- Considered good	17,888	17,888
Advances Recoverable in Cash or in Kind		
- Unsecured, considered good (Refer Note 35 b)	93,40,650	54,73,72,375
TOTAL	1,10,19,936	54,84,54,589
(b) Current		
Considered good unless stated otherwise		
Advances Recoverable in Cash or in Kind		
- Unsecured, considered good	55,54,65,747	82,54,956
- Unsecured, considered doubtful	1,85,798	1,85,798
	55,56,51,545	84,40,754
Less : Allowance for doubtful debt	-1,85,798	-1,85,798
	55,54,65,747	82,54,956
CENVAT Credit (Refer note 25)	41,59,487	41,59,487
Less : ECL(Expected Credit loss)	(41,59,487)	-
	-	41,59,487
GST Recoverable	84,18,824	56,28,787
Prepaid Expenses	6,61,364	18,93,135
Prepaid Rent-Fair value	-	2,52,137
TOTAL	56,45,45,935	2,01,88,502
6 CURRENT TAX ASSETS (NET)		
Income-tax Refund Due/TDS Recoverable	38,17,21,473	52,77,70,524
TOTAL	38,17,21,473	52,77,70,524

**NATIONAL INTERNET EXCHANGE OF INDIA**

CIN-U72900DL2003NPL120999

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	As At March 31, 2020 (Rs)	As At March 31, 2019 (Rs)
7 CAPITAL FUND		
(I) Reserves & Surplus		
a. Capital Grants		
Balance brought forward from previous year	-	-
Less: Discarded Assets	-	-
	-	-
b. Special Reserve (Refer note 27)		
Balance at the beginning of the Financial year	2,64,39,37,912	2,10,89,08,487
Add: Transferred from Accumulated Surplus	71,42,33,947	53,50,29,425
	3,35,81,71,859	2,64,39,37,912
c. Marketing Fund (Refer Note 16 e)		
Balance at the beginning of the Financial year	14,98,36,793	9,49,02,222
Add: Transferred from Statement of Income and Expenditure -		6,17,56,665
Less: Utilised during the year (refer Note 15)	-	68,22,094
	14,98,36,793	14,98,36,793
d. Accumulated Surplus		
Balance at the beginning of the Financial year	80,58,69,235	72,12,12,498
Addition during the Financial year	86,64,69,753	68,14,42,827
	1,67,23,38,988	1,40,26,55,325
Less: Appropriations		
Transfer to Special Reserve	71,42,33,947	53,50,29,425
Transferred to Marketing Fund	-	6,17,56,665
	95,81,05,041	80,58,69,235
TOTAL (I)	4,46,61,13,693	3,59,96,43,940
(II) Items of other comprehensive income		
Balance at the beginning of the Financial year	6,43,291	3,56,691
Add: Other Comprehensive Income/(Loss) for the Financial year	-1226588	286600
Remeasurement Gain or (Loss) on Defined Benefit Plans (Net of Tax)		
TOTAL (II)	-5,83,297	6,43,291
TOTAL CAPITAL FUND (I + II)	4,46,55,30,396	3,60,02,87,231

**NATIONAL INTERNET EXCHANGE OF INDIA**

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	As At March 31, 2020 (Rs)	As At March 31, 2019 (Rs)
8 FINANCIAL LIABILITIES		
(a) TRADE PAYABLES		
Due of Micro and Small enterprises (Refer Note 29)	7,50,504	63,842
Dues of Creditors Other than Micro Enterprises and Small Enterprises	354,06,412	549,84,266
TOTAL	3,61,56,916	5,50,48,108
(b) OTHER FINANCIAL LIABILITIES		
Non Current		
Other Non current Financial Liability	8,53,785	16,61,165
TOTAL	8,53,785	16,61,165
(c) Current		
Revenue Grants		
Balance brought forward from previous year	48,90,502	85,24,444
Add: Received during the year (IIGF Project)	-	-
Add: Interest Earned till payment of Grant	3,76,213	8,83,887
	52,66,715	94,08,331
Less: Utilisation during the year (Refer Note 15)	-	-45,17,829
Less: Grant amount paid during the year	-52,66,715	-
	-	48,90,502
Statutory dues payable	28,95,014	86,93,453
Other Current Financial Liability	1,77,34,677	1,80,11,822
TOTAL	2,06,29,691	3,15,95,777
9 OTHER LIABILITIES		
(a) Non Current		
Registration Fees Received in advance	21,75,77,571	20,37,43,662
Liability- Fair Value	-	2,43,899
TOTAL	21,75,77,571	20,39,87,561
(b) Current		
Registration Fees & Affiliation Fees Received in Advance	41,98,63,455	41,00,31,191
Advance from ISP/Registrars/Affiliates	9,41,86,012	9,40,81,116
Data Transfer Differentials Dues	4,51,12,345	3,00,86,678
Liability- Fair Value	-	1,95,120
TOTAL	55,91,61,812	53,43,94,105
10 PROVISIONS		
(a) Non- Current		
Provision for Employee Benefits		
-Net defined benefits liabilities-gratuity (Refer Note 26)	22,17,581	8,35,414
TOTAL	22,17,581	8,35,414
(b) Current		
Provision for Employee Benefits		
-Net defined benefits liabilities-gratuity	-	-
-Compensated Absences	-	-
TOTAL	-	-

**NATIONAL INTERNET EXCHANGE OF INDIA**

CIN-U72900DL2003NPL120999

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Year Ended March 31, 2020 (Rs.)	Year Ended March 31, 2019 (Rs)
11 REVENUE FROM OPERATIONS		
Revenue from Contracts with Customers		
Disaggregated Revenue Information		
Revenue from Exchange Operations	4,22,89,606	5,21,62,284
Revenue from Registry Operations	63,62,90,447	53,53,44,589
Revenue from NIR Operations(From Affiliates)	11,37,12,077	12,40,32,147
TOTAL	79,22,92,130	71,15,39,020
11.1 Contract Balances		
Trade Receivables *	6,19,74,451	6,19,30,681
Contract Liabilities (Refer Note No 9(b))		
Advance from customers	9,41,86,012	9,40,81,117
Advance Fee(Registration & Affiliation)	41,98,63,455	41,00,31,191
Data Transfer Differentials Dues	4,51,12,345	3,00,86,678
* Trade Receivables are non-interest bearing and are generally on terms of 90 to 120 days.		
11.2 Reconciling the amount of revenue recognised in the statement of income & expenditure with the contracted price		
Revenue as per Contracted Price		
Adjustments		
Rebate	-	-
Discount	2,78,98,450	-
Revenue from Contracts with Customers	2,78,98,450	-
12 OTHER INCOME		
Interest Income		
- On Term Deposits with Banks	24,15,52,569	18,62,17,653
- On Special Saving Accounts	66,43,029	61,43,398
- On Others	9,81,33,850	2,49,24,382
Miscellaneous Income	91,93,675	14,77,054
TOTAL	35,55,23,123	21,87,62,487
13 OPERATIONAL EXPENSE		
Technical Service Charges	8,87,75,507	17,04,57,398
Rack Space Charges	51,44,171	48,09,611
Operating Charges	3,70,915	4,04,533
Bandwidth Charges	4,22,771	4,19,568
APNIC Membership Fees	93,60,778	99,17,484
Website Security expense	13,72,494	13,20,590
TOTAL	10,54,46,636	18,73,29,184
14 EMPLOYEE BENEFIT EXPENSE		
Salaries and Allowances	-	2,17,168
Contractual Employee Cost	2,41,21,239	2,12,48,126
Contribution to Provident and other funds	28,500	34,655
Gratuity	10,18,763	9,32,672
Staff Welfare Expenses	1,97,733	1,78,947
TOTAL	25,366,235	2,26,11,568

**NATIONAL INTERNET EXCHANGE OF INDIA****CIN-U72900DL2003NPL120999****NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Year Ended March 31, 2020 (Rs.)	Year Ended March 31, 2019 (Rs)
15 OTHER EXPENSES		
Professional, Legal and Consultancy Charges	27,61,605	78,46,168
Auditor's remuneration		
-Audit Fees	2,75,000	2,75,000
-Certificates & other matters	2,00,000	50,000
-Reimbursement of expenses	64,600	49,600
Conferences & Seminar Activities	11,27,558	2,21,500
Grant and Sponsorship Fees	2,71,21,274	11,60,000
Marketing Expenses	2,02,64,651	68,22,094
Less: Transferred from Marketing Fund (refer note 7)	-	-
	2,02,64,651	68,22,094
IIGF Project Expenses	-	45,17,829
Less: Transferred from IIGF Grant (refer note 8(c))	-	-
	-	45,17,829
Other Promotional Activity	2,03,576	3,60,783
Rent Paid	75,41,822	73,77,300
Rent Exp-Fair Value	-	3,86,454
Interest-Fair Value	-	2,14,564
Donation Expense (Refer Note 22)	5,00,00,000	-
Travelling & Conveyance Expenses	42,08,759	23,96,017
Repairs and Maintenance Expenses		
- Building	7,20,150	6,45,900
- Equipment	17,05,729	21,01,046
- Others	1,11,907	1,70,427
Postage and Communication Expenses	6,34,673	5,76,607
Office Expenses	12,16,268	13,81,970
Subscription & Membership Charges	8,86,831	7,20,468
CSR Expenses (Refer note 22)	1,15,05,000	96,72,055
Fixed Assets Discarded	-	56,755
Provision for Doubtful Advances	-	68,400
ECL(Expected Credit Loss) for Trade Receivable	1,08,48,364	-
ECL(Expected Credit Loss) for Cenvat Recoverable	41,59,487	
Miscellaneous Expenses	2,97,544	2,08,244
TOTAL	14,58,54,798	3,59,39,258



NATIONAL INTERNET EXCHANGE OF INDIA

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Notes to Financial Statements for the year ended 31st March 2020

OTHER NOTES TO ACCOUNTS

16. Contingent Liabilities

Claims against the company not acknowledged as debt*

a) Income Tax

	As At March 31,2020	As At March 31,2019
Income Tax (Gross)	Rs 31,06,03,356	Rs 30,04,91,329
Deposited	Rs. 2,10,84,860	Nil(Gross)

- i) During the year, Company has received demand notice for AY 17-18 for Rs. 17,84,44,278, on account of disallowance of exemption u/s 11 & 12 of the Income Tax, 1961, available to company. Company has filed an appeal before CIT (A), which is yet to be disposed off.
- ii) With respect to AY 2009-10, AY2010-11 and AY 2011-12, Company has got favorable orders in earlier years from the Hon'ble High Court against the appeal filed by the Income Tax Department. However, during the year, Income Tax Department has gone into appeal to Hon'ble Supreme Court against the order of Hon'ble High Court. Matter is yet to be adjudicated.
- iii) Income tax assessment for AY 2015-16 and AY 2018-19 onwards are yet to be concluded.

The Company is hopeful of favorable decision and expect no outflow of resources, hence no provision is made in the books of account.

- iv) Company is in the process of having a detailed reconciliation of the amount lying as recoverable from Income tax department and shown as recoverable under Current tax asset (Net) in Note No 6 with the Income Tax Return, refund orders and appeal effects. Difference, if any will be provided in the year of conclusion of such reconciliation. However, management of the company is of the view that such difference will not be material to the financial statements.
- v) 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 to exist. There has been no further communication received from Income Tax Department in their regard changing the financial year. However, Income Tax Department continued to disallow the exemption in subsequent assessments, which is contested by the company following the procedure specified under the Income Tax laws.



NATIONAL INTERNET EXCHANGE OF INDIA

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Notes to Financial Statements for the year ended 31st March 2020

b) Service Tax

	As At March 31,2020	As At March 31,2019
Service Tax	Rs 7,38,44,961	Rs 7,38,44,961
Deposited	Nil	Nil (Gross)

The company has received show cause cum demand notice amounting to Rs.7,38,44,961/- from Service tax Commissioner for the period of April 2010 to June 2012 in earlier years. 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.

c) Other matters, including claims relating to third parties etc.

	As At March 31,2020	As At March 31,2019
Other matters, including	Rs.1,70,000	Rs. 1,70,000
Claims relating to third parties etc	Deposited Nil ;	as at March 31,2019 Nil (Gross)

Claims against the company not acknowledged as debts Rs.1,70,000/- (Previous year Rs.1,70,000/-) excluding those disclosed elsewhere in these notes to accounts. Company is in the process of getting a legal advice about the company's liability going forward. Pending the outcome of the same, no provision is considered necessary in the books of accounts.

d) GST Matters

The GST audit of FY 2017-18 has been concluded during the year and no major observations were found. GST Audit for the financial years 2018-19 and 2019-2020 are yet to be concluded along with reconciliation with GSTR 2A. Differential liability, if any on such GST Audit/Assessments, will be accounted in the year of identification and confirmation.

e) Marketing Fund

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.14,98,36,793/- (previous year Rs.14,98,36,793/-). This includes Rs. 7,36,53,341/- (previous year Rs.7,36,53,341/-). Being the amount lying to the credit of Marketing Fund as on Dec 31, 2012, the date of expiry of the earlier contract with TSP. Based on the legal opinion obtained by the company, this amount is not payable to the TSP and accordingly continued to be shown under marketing fund.

The amount of Rs NIL (previous year Rs. 6,17,56,665/-) credited to the marketing reserve during the year as per the terms and condition of the agreement with TSP effective from January 01, 2013. Considering the change in TSP, marketing fund balance will be utilized against the marketing expenses to be incurred in future years.



NATIONAL INTERNET EXCHANGE OF INDIA

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Notes to Financial Statements for the year ended 31st March 2020

17. Company has passed a Board resolution in 56th Board meeting dated 3rd December 2018 to change the X-Y tariff policy by reducing current data transfer(x-y) charges from Rs 1/GB to Rs 0/ GB w.e.f. 1st March 2019. Old balances related to the data transfer charges of receivables continued to be shown post reduction of charges payable from and to ISPs and the net resultant balance is shown under other current liability/assets as the case may be. The amount of charges Rs. NIL (Previous Year Rs.1,55,04,554) 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 in note No 11.
18. The outgoing data transfer charges amounting to Rs. Nil (Previous year Rs.11,63,68,730/- 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.9,41,71,674/- relating to data transfer charges pertaining to earlier year (Previous year Rs.3,78,47,631/-).
19. Company's application u/s 10(46) of the Income Tax Act, 1961 for seeking income tax exemption for activities of the Company is yet to be responded by the office of CBDT.
20. 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 specific benefit in money or money's worth have been given or accrued to any member.
21. Balances of accounts with 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.
22. In terms of the requirements of Section 135 of the Companies Act, 2013, Corporate Social Responsibility Committee (CSR Committee) was required to be formed. However, due to COVID pandemic, the same is yet to be formed by the company. Pending the formation, an amount of Rs. 1,15,05,000/- (Previous year Rs. 96,72,055/-) (i.e. 2% of the average net profits for three preceding financial years) required to be contributed in terms of the requirement of section 135 of the Companies Act, 2013 for the CSR activities was contributed to Prime Minister's National Relief Fund (Previous year Rs. 96,72,055/-) to ensure the compliance as per the requirement of Schedule VII of the Companies Act 2013. Further, company has also donated Rs. 5,00,00,000/- in PM Cares Fund as per the board approval.



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Notes to Financial Statements for the year ended 31st March 2020

23. During the year, Company's management decided to withdraw from the ERNET project. Accordingly, advance amount of Rs. 50,00,00,000/- paid in earlier years was asked to be refunded along with the applicable Interest. Accordingly, interest on such advance is accounted Rs 3,68,57,586/- (Previous year Rs 2,45,35,250/-) based on pro-rate remittance made by the party, subsequent to the balance sheet date. This has been disclosed in Note No 5(b) and interest is included in Note No. 12.

24. The company has filled the application of GST RFD-01 A in two parts, for the refund of GST paid on export of services related to financial year 2017-18 in the financial year 2018-19 and 2019-2020 amounting to Rs. 53,85,681/- and Rs. 1,63,68,651/- respectively. The refund of the same is still awaiting from the department. Accordingly, it is continued to be shown GST Recoverable (Export) under note no. 4(b).

25. Base on the legal advice obtained by the company, service tax credit with respect to application filed with the Assistant commissioner of GST in March 2019, amounting to Rs. 41,59,487/- considered doubtful and hence provided for in the current year financial statements.

26. Employee Benefits

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) separately with LIC funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

a) Defined contribution Plans

Amount recognized as an expense and included in Note 14 Item "Contribution to Provident and Other Funds" Rs 28,500/- (Previous year Rs 34,655/-) Consist of Contribution to Provident Fund Rs. 28,500/- (Previous year Rs. 28,700/-) and to ESI NIL (Previous year Rs. 5,955/-).

b) Defined benefits plans - as per Actuarial valuation

Gratuity Benefit Plans:

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 31.03.2020:



NATIONAL INTERNET EXCHANGE OF INDIA

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Notes to Financial Statements for the year ended 31st March 2020

Particulars	Year ended March 31, 2020	Year ended March 31, 2020
	Gratuity (Funded)	Gratuity (Funded)
Change in present value of obligation		
I. during the year		
Present value of obligation at the beginning of the year	2,474,491	2,317,726
Included in profit and loss:		
Current Service Cost	961,537	888,299
Interest Cost	169,503	177,100
Past Service Cost	-	
Actuarial losses/(gains)		
Experience Judgement		
Included in OCI:		
Actuarial losses/(gains) arising from:		
Experience Judgement	12,30,531	(319,096)
Financial assumption		
Others		
Benefits Paid	(6,02,714)	(589,538)
Present Value of obligation as at year-end	4,233,348	2,474,491
Change in Fair Value of Plan Assets		
II. during the year		
Plan assets at the beginning of the year	1,639,077	1,908,604
Included in profit and loss:		
Expected return on plan assets	112,277	132,727
Included in OCI:		
Actuarial Gain/(Loss) on plan assets	3,943	(32,496)
Others:		
Employer's contribution	8,63,184	219,780
Benefits paid	(6,02,714)	(589,538)
Plan assets at the end of the year	2,015,767	1,639,077
The plan assets are managed by the Gratuity Trust formed by the Company.		



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Notes to Financial Statements for the year ended 31st March 2020

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Gratuity (Funded)	Gratuity (Funded)
III. Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets		
1. Present Value of obligation as at year-end	4,233,348	2,474,491
2. Fair value of plan assets at year –end	2,015,767	1,639,077
3. Funded status {Surplus/ (Deficit)}	(2,217,581)	(835,414)
Net Asset/(Liability)	(2,217,581)	(835,414)
Expenses recognized in the Statement of Profit		
IV. and Loss		
1. Current Service Cost	961,537	888,299
2. Actuarial (Gain) / Loss		
3. Past Service Cost	-	-
4. Net interest Cost/ (Income) on the net defined benefit liability	57,226	44,373
Total Expense	1,018,763	932,672
V. Expenses recognized in the Statement of Other Comprehensive Income		
1. Net Actuarial (Gain)/Loss	1,230,531	(319,096)
2. Expected return on plan assets excluding interest income	(3,943)	32,496
Total Expense	1,226,588	(286,600)
VI. Constitution of Plan Assets		
Funded with LIC	100%	100%
VII. Bifurcation of PBO at the end of the year		
1. Current Liability	-	-
2. Non-Current Liability	2,217,581	835,414
VIII. Actuarial Assumptions		
1. Discount Rate	6.85%	7.70%
	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
2. Mortality Table		
3. Salary Escalation	7%	7%
4. Turnover Rate	2%	1%

**NATIONAL INTERNET EXCHANGE OF INDIA****CIN-U72900DL2003NPL120999****Notes to Financial Statements for the year ended 31st March 2020****IX. Experience Adjustment:**

Gratuity	2019-20	2018-19
Present Value of obligation	4,233,348	2,474,491
Fair value of Plan assets	2,015,767	1,639,077
Net Asset/(Liability)	(2,217,581)	(835,414)
Actuarial (Gain)/Loss on plan obligation	1,230,531	(319,096)
Actuarial Gain/(Loss) on plan assets	3,943	(32,496)

X. Sensitivity Analysis

Gratuity	Year ended March 31, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	3,930,494	4,565,959	2,293,208	2,673,523
Future salary growth (0.5% movement)	4,563,805	3,929,558	2,564,245	2,383,367

XI. Maturity Profile of projected benefit obligation: from the fund

Particulars	2019-20	2018-19
1 Year	59,935	35,444
2 to 5 Years	99,405	206,544
6 to 10 Years	407,401	388,211

XII. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

a) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c) Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**NATIONAL INTERNET EXCHANGE OF INDIA****CIN-U72900DL2003NPL120999****Notes to Financial Statements for the year ended 31st March 2020****27. 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.

However, during the year, Company has incurred expenditure of Rs. 26,14,09,018/- (Previous Year Rs. 25,60,26,966/-) from special reserve created under Section 11 of the Income Tax Act, 1961, towards the objects of the Company, which has been net off from the amount of Rs. 97,56,42,965/- transferred during the year.

- 28.** The Company has adopted Ind-AS 116, 'Leases' effective from April 01, 2019 and applied the standard to its lease. The current lease arrangement will get expired in April 2020. Accordingly, current rental premises lease is treated as short term lease liability for the purpose of Ind AS 116 and calculation of Lease liability and right to use is not required. The Detail of Minimum Lease payments is as follows:

(Amount in Rs.)

Particulars	Lease Payments	
	Current Year	Previous Year
Total Lease payment for the year (Recognised in statement of Income and Expenditure).	75,41,822	77,63,754
Minimum lease payments		
Not later than 1 year	75,41,822	77,63,754
Later than 1 year but not later than 5 years	Nil	Nil
Later than 5 years	Nil	Nil

- 29.** Disclosure required under Micro, Small and Medium Enterprises Act, 2006 (on the basis of information provided by vendors and available on company's records)

S.No.	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
(a)	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	7,50,504	63,842
	-principal amount	7,50,504	63,842
	-interest due	-	-
(b)	the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises	-	-



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Notes to Financial Statements for the year ended 31st March 2020

	Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		
(c)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Development Act, 2006	-	-
(d)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

30. Financial Instrument

Financial instruments – Fair values and risk management

A. Financial instruments by category

Particulars	Fair Value Hierarchy	March 31, 2020			March 31, 2019		
		FV TPL	FV TOCI	Amortized Cost (Rs)	FV TPL	FV TOCI	Amortized Cost (Rs)
Financial Assets							
Non-current Assets							
-Other Financial Assets	Level 3			89,71,00,000			10,63,76,367
Current Assets							
-Trade Receivables	Level 3			6,19,74,451			6,19,30,681
-Cash and cash Equivalents	Level 3			12,84,25,805			27,97,52,854



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Notes to Financial Statements for the year ended 31st March 2020

-Bank Balances other than ii) above	Level 3			2,68,29,14,940			2,79,57,70,238
-Other Financial Assets	Level 3			56,52,36,578			7,44,67,105
TOTAL				4,33,56,51,774			3,31,82,97,245
Financial Liabilities							
Non-current Liabilities							
-Other financial Liabilities	Level 3			8,53,785			16,61,165
Current Liabilities							
-Trade payables	Level 3			3,61,56,917			5,50,48,108
-Other financial Liabilities	Level 3			2,06,29,691			3,15,95,777
TOTAL				5,76,40,393			8,83,05,050

Fair value hierarchy

The table shown above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1	This includes financial instruments measured using quoted prices.
Level 2	The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates.
Level 3	If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no transfers between level 1, level 2 and level 3 during the year.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices
- The fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, short term loans, current financial assets, trade payables, current financial liabilities and borrowings approximate their carrying amount.
- The fair values for assets & liabilities were based on their carrying values.



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Notes to Financial Statements for the year ended 31st March 2020

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) **Financial risk factors**

The Company is exposed to various financial risks i.e. Credit risk and risk of liquidity. These risks are inherent and integral aspect of any business. The primary focus of the Risk Management Policy is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i) **Credit risk**

The Company evaluates the customer credentials carefully from trade sources before extending credit terms and credit terms are extended to only financially sound customers. The Company secures adequate advance from its customers whenever necessary and hence risk of bad debt is limited. In relation to Exchange services, company reviews the business with all customers on regular intervals with a right to block all exchange related services, which gives additional assurance for better recovery.

Ageing Analysis of Trade Receivables

Ageing	As At March 31,2020	As At March 31,2019
Not due	72,64,528	74,71,743
Up to Six months	1,12,65,391	1,61,50,153
Six to Twelve Months	1,97,55,699	1,09,80,966
Above Twelve Months	3,45,37,097	2,73,27,819
Gross Carrying Amount	7,28,22,715	6,19,30,681
Expected Credited Loss	1,08,48,364	-
Net Carrying amount	6,19,74,451	6,19,30,681

ii) **Liquidity risk**

Liquidity risk arises when the Company will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimize adverse effects. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and company monitors rolling forecasts of its liquidity requirements.

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The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	Carrying Amount	Less than 1 year	1- 5 year	Total
Trade pay	3,54,06,412	3,44,79,427	9,26,985	3,54,06,412
Other financial liabilities –Current				
(Exclusive of Current Maturities)	2,06,29,691	1,51,49,904	54,79,787	2,06,29,691
Other financial liabilities				
• Non-Current	8,53,785		8,53,785	8,53,785

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

Particulars	Carrying Amount	Less than 1 year	1- 5 year	Total
Trade payables	5,50,48,108	5,50,48,108		5,50,48,108
Other financial liabilities –Current				
(Exclusive of Current Maturities)	3,15,95,777	3,15,95,777		3,15,95,777
Other financial liabilities				
• Non-Current	16,61,165		16,61,165	16,61,165

32. RELATED PARTY DISCLOSURES

Related party disclosure as required by Indian Accounting Standard -24 is as below:

I. Nature of Related Party relationship

Name	Relationship
(a) Madhav Cement Private Limited	Enterprise over which key management personnel (Director) is having significant influence.
(b) Ishan Infotech Limited	Enterprise over which key management personnel (Director) is having significant influence.
(c) Ishan Netcom Private Limited	Enterprise over which key management personnel (Director) is having significant influence.
(d) Ishan Netsol Private Limited	Enterprise over which key management personnel (Director) is having significant influence.
(e) CSC E-Governance Services India Limited	Enterprise over which key management personnel (Director) is having significant influence.

**NATIONAL INTERNET EXCHANGE OF INDIA****CIN-U72900DL2003NPL120999****Notes to Financial Statements for the year ended 31st March 2020**

Name	Relationship
(f) National Institute for Smart Government	Enterprise over which key management personnel (Director) is having significant influence.
(g)STPI	Enterprise over which key management personnel (Director) is having significant influence.
(h) Life Positive Pvt Ltd	Enterprise over which key management personnel (Director) is having significant influence.
(i) Magus Sales and Services Pvt Ltd	Enterprise over which key management personnel (Director) is having significant influence.
(j)Speed India .Com Holdings Pvt Ltd	Enterprise over which key management personnel (Director) is having significant influence.
(k) World Phone Infrastructure Services Pvt Ltd	Enterprise over which key management personnel (Director) is having significant influence.
(l) Net magic Solutions Pvt Ltd	Enterprise over which key management personnel (Director) is having significant influence.
(m) Net magic IT Services Pvt Ltd	Enterprise over which key management personnel (Director) is having significant influence.
(n) NTT Communications India Network Services Pvt Ltd	Enterprise over which key management personnel (Director) is having significant influence.
(o) APNIC	Enterprise over which key management personnel (Director) is having significant influence.

II. The following transactions were carried out with related parties in the ordinary course of business:

Particulars	Enterprise over which key management personnel is having significant influence(Refer I)	
	2019-20	2018-19
(a) Sales (Revenue from NIR operations(From Affiliates))	973,671	635,806
(b) Sales (Revenue from Exchange operations(Port & Membership fees))	3,190,299	-
(c) Sales (Revenue from Dot In operations(Registration Fees))	5,370,388	-
(d) Expenses	12,186,775	-
(e) Outstanding at the end of Financial year		
Receivable	888,792	25,200
Payable	281,361	-



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Notes to Financial Statements for the year ended 31st March 2020

33. COVID-19

Towards the end of the financial year, India confronted with the global pandemic of COVID19, as a result of which the Government had taken measures to lockdown across the country, effective 23rd March 2020. The lockdown was reviewed by the Govt. from time to time and relaxation provided depending up on the severity of the situation. The Company reopened its offices with reduced capacity as per Delhi. Govt guidelines from 29th April 2020. The Company managed to sustain its business operations with minimal disruptions as the Company started working with full capacity since it falls under essential services prescribed by GOI.

COVID-19 situation had no measurable impact on these financial results of the Company. Though, after the balance sheet date, due to change in business circumstances, to remain competitive for our clients, the Company may offer few minimal incentives to increase its sales. This may not have any bearings on the current year financial results and even on the next year.

Majority of the clients of the Company are Internet service providers and Domain registrars and this Industry is doing very well in the present scenario. Basis Company's business operating model, it is in a strong position to operate as a going concern. Hence, the basic accounting assumptions for the preparation of these financial statements have been applied and is considered maintainable in future.

34. 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.
35. (a) Board resolution passed in 54th board meeting on 10th April 2018, approved the project carrying value of Rs. 3,77,50,000/- for which the entire amount was to be paid to CDAC R&D for executing a project for Centre of Excellence in DNS security. Out of the total approved amount of Rs. 3,77,50,000/- company has paid Rs. 1,59,50,000/- during the financial year 2018-2019 and based on the utilization certificate provided during the financial year 2019-2020 grant expenses have been booked and shown as part of expenditure in Note 15.
- (b) Further in the same board meeting, project with a carrying value of Rs. 3,31,00,529/- was approved for which execution was to be done by Indian Council For Research On International Economic Relations. This project was for ICANN Research & Multi stakeholder Engagement Assistance Programme. Out of the total amount Rs.3,31,00,529/- approved, Company has paid Rs. 93,40,650/- during the financial year 2018-2019, for which no expenditure is submitted with the Company & accordingly the same has been shown as advance recoverable in note 5(a.)



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Notes to Financial Statements for the year ended 31st March 2020

- 36.** Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

For and on behalf of board of directors

As per attached Report of even date

for **S S Kothari Mehta & Company**

Chartered Accountants

Firm Registration No. 000756N

Dilip Kumar Barman
Director

DIN: 7322268

Praveen Sharma
Director

DIN: 8673222

Naveen Aggarwal
Partner

Membership No. 094380

Place: New Delhi

Date: 22nd September, 2020

Audit Committee



*Chairman of Audit Committee
Ms. Jyoti Arora, IAS,
Special Secretary & Financial Adviser, MeitY*

The Board had duly constituted Audit Committee in line with the provisions of the Act. As on 31st March, 2020, the Committee comprises of Four members

S.No.	Members
1	Ms. Jyoti Arora
2	Shri Sanjay Goel
3	Shri Rajesh Chharia
4	Shri S. R. Sayal

All the members of the Audit Committee are Directors. Further, there was no change in the constitution of the Audit Committee of the Board during the year under review. The Audit Committee met 1 (one) time during the financial year 2019-20 on 24th September, 2019. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

The primary objective of the Committee is to assist the Board with oversight of :

- The accuracy, integrity and transparency of the Company's financial statements with adequate and timely disclosures
- Compliance with legal and regulatory requirements
- The Company's Independent Auditors' qualifications and independence
- The performance of the Company's Independent Auditors and internal auditors
- Other Area as assigned by the Board of Director's

CSR Report

(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.1.15 Cr for FY 2019-20 in the PMNRF and contributed Rs. 5 crores from reserves of NIXI for the purpose of relief efforts for COVID 19 launched through PM CARES fund. Further, the Board opined to explore areas for spending CSR corpus that neither has direct connection to the business of the Company nor completely unrelated to its objectives.

(2) Composition of the CSR Committee as on 31st March 2020:

S.No.	Members	
1	Shri Sanjay Goel	CEO, Director, Chairman of the Committee
2	Shri Anil Jain	Director
3	Shri R S Mani	Director
4	Shri Rajesh Chharia	Director
5	Shri Jagmohan Singh	Director

(3) Average net surplus of the company for last three financial years: Rs. 5752.46 lacs

(4) Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 1.15Cr.

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

(a) Total amount spent for the financial year: Rs. 1.15 Cr.

(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	Amount Spent direct or through implementing agency
1	Prime Minister's Relief Fund	Contributions to Prime Minister's Relief Fund	NA	Rs. 1.15 Cr.	Rs. 1.15 Cr.	Rs. 1.15 Cr.	Rs. 1.15 Cr.
2	PM CARES fund (COVID 19, Extra spend)	PM CARES fund ((COVID 19, Extra spend)	NA	5.00 Cr.	5.00 Cr.	5.00 Cr.	5.00 Cr.

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.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting of the members of the Company will be held as under:

Day : Friday

Date : 16th October, 2020

Time : 11:00 a.m.

Venue : Ministry of Electronics & Information Technology, Conference Room 1007, Electronic Niketan, 6, CGO Complex, Lodhi Road, New Delhi-110003.

To transact the following business:

1) To receive, consider & adopt the Audited Balance Sheet as on March 31, 2020 (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 2022 for auditing the accounts of the Company at a remuneration of Rs. 3,02,500/- (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.”

SPECIAL BUSINESS

3) 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.”

4) Appointment of Shri G Narendra Nath, JS NSCS 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 G Narendra Nath (holding DIN 07440439), in respect of his candidature for the office of Director, be and is hereby appointed as a Co-opted Director of the Company.”

5) Appointment of Choudhury Bijoya Kumar Das, Dy Director General NIC 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, Choudhury Bijoya Kumar Das (holding DIN 08858682), in respect of his candidature for the office of Director, be and is hereby appointed as a Co-opted Director of the Company.”



6) Appointment of Shri Bindhumadhava Sundaramurthy Bapu, Senior Director, C-DAC Bengaluru 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 Bindhumadhava Sundaramurthy Bapu (holding DIN 08752265), in respect of his candidature for the office of Director, be and is hereby appointed as a Co-opted Director of the Company.”

7) 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: 22nd September, 2020

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

(Dilip Kumar Barman)
Director
DIN: 7322268



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 7 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 2019-20 is being sent by electronic mode as well as physical copies to those Members whose email Id & addresses are registered with the Company.
- f) Member must bring the attendance slip with proof documents as stated in attendance slip.



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 7 of the accompanying Notice dated 22nd September, 2020.

Item No. 3

Dr. Sanjay Bahl was appointed as a Co-opted Director in the AGM held on 28-12-2018. As per article 17 (d) his tenure is for two 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. 3 of the Notice.

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. 4

Shri G Narendra Nath, JS NSCS was appointed as an Additional Co-opted Director on 20/05/2020. 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. 4 of the Notice.

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



Item No. 5

Choudhury Bijoya Kumar Das, Dy Director General NIC, was appointed as an Additional Co-opted Director on 20/05/2020. 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. 5 of the Notice.

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

Item No. 6

Shri Bindhumadhava Sundaramurthy Babu, Senior Director, C-DAC Bengaluru, was appointed as an Additional Co-opted Director on 03/06/2020. 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. 6 of the Notice.

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

Item No. 7

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. 7 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: 22nd September, 2020

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

(Dilip Kumar Barman)

Director

DIN:7322268



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:	

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 Friday, the 16 day of October 2020 at 11a.m at Ministry of Electronics & Information Technology, Conference Room



1007, Electronic Niketan, 6, CGO Complex, Lodhi Road, New Delhi-110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

1) To receive, consider & adopt the Audited Balance Sheet as on March 31, 2020 (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):

SPECIAL BUSINESS

3) Re-appointment of Dr. Sanjay Bahl, DG, CERT-In as a Co-opted Director of the Company

4) Appointment of Shri G Narendra Nath, JS NSCS as a Co-opted Director of the Company.

5) Appointment of Choudhury Bijoya Kumar Das, Dy Director General NIC as a Co-opted Director of the Company.

6) Appointment of Shri Bindhumadhava Sundaramurthy Babu, Senior Director, C-DAC Bengaluru as a Co-opted Director of the Company.

7) 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-----2020

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.
4. 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
5. The Notice of the AGM along with the Annual Report 2019-20 is being sent by electronic mode as well as physical copies to those Members whose email Id & addresses are registered with the Company.
6. Member must bring the attendance slip with proof documents as stated in attendance slip.



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 Annual General Meeting being held on Friday, the 16 day of October 2020 at 11a.m at Ministry of Electronics & Information Technology, Conference Room 1007, Electronic Niketan, 6, CGO Complex, Lodhi Road, New Delhi-110003.

Signature of the Member/Proxy present

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Note:

1. Ordinary & Associate 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 Director/ Company secretary in case of private companies, head of the organization or CEO/ Company secretary in case of other organizations, to the meeting and hand it over at the entrance of the meeting venue.



भारत

.IN के साथ आत्मनिर्भर बनो



LET'S PLEDGE TO
CONNECT ONLINE WITH A



National Internet Exchange of India

6C, 6D, 6E, Hansalaya Building,
15, Barakhamba Road, New Delhi-110001
Tel.: +91-11-48202003, Fax: +91-11-48202013
www.nixi.in, www.registry.in, www.irinn.in