

nixxi

● **भारत**

*12TH ANNUAL REPORT
2014-2015*



NATIONAL INTERNET EXCHANGE OF INDIA

CIN: U72900DL2003NPL120999

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National Internet Exchange of India

Regd. Off.: Flat No. 6B, 6th Floor, Uppals M6 Plaza,
 Jasola District Centre, New Delhi-110025
 Tel.: +91-11-48202000, Fax: +91-11-48202013
 CIN-U72900DL2003NPL120999
www.nixi.in, www.registry.in, www.irinn.in

BOARD OF DIRECTORS

Shri J.S.Deepak

Dr. Ajay Kumar

Ms. Anuradha Mitra

Prof. Ashok Jhunhunwala

Shri Rajesh Chharia

Shri Sharad Sanghi

Dr. Omkar Rai

Shri Shashi Parkash Jerath

Shri Anil Jain

Shri Brajesh Chandra Jain

Shri Ravi Prakash Gandhi

Shri Neeraj Sonker

Shri MP Vijay Kumar

CHIEF EXECUTIVE OFFICER

Dr. Govind

AUDITORS

M/s K.G.Somani & Co.

REGISTERED OFFICE

Flat no. 6B, Uppals M6 Plaza,
6 Jasola District Centre,
New Delhi-110025

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NIXI Overview

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

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

Internet Exchange: Seven Internet Exchange Nodes are functional at Delhi (Noida), Mumbai, Chennai, Kolkata, Hyderabad, Bengaluru, and Ahmedabad. The Internet Exchange nodes have ensured peering of ISPs among themselves for routing domestic Internet traffic within India, resulting in better quality of service (reduced latency, reduced bandwidth charges for ISPs) saving on international bandwidth. Presently, 43 ISPs with 103 connections are connected with the various nodes of NIXI. The aggregated maximum traffic exchanged at all the nodes is 38 Gbps.

.IN Registry: .IN Registry functions with primary responsibility for managing Country Code Top Level Domains (ccTLDs). Registration of .IN domain has crossed the 1.75 million mark in August, 2015. Presently, 107 Registrars have been accredited to offer .IN domain name registration worldwide to customers. It has helped in proliferation of web hosting and promotion of Internet usage in the country.

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.Bharat IDN in Indian languages:

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

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

NIXI has sent an application to Internet Corporation for Assigned Names and Numbers (ICANN) for delegation of all the remaining Indian languages i.e. Assamese, Kannada, Oriya, Malayalam, Santali, Sanskrit, Sindhi, Kashmiri.

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

Since its launch in 2012, NIR has registered impressive growth, the number of affiliates registered are over 1100 as of August 2015.

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NOTICE

Notice is hereby given that the 12th Annual General Meeting of the members of the Company will be held as under:

Day : Friday

Date : 30th day of October 2015

Time : 1200 Hrs.

Venue : Ministry of Communications and Information Technology, Department of Electronics & Information Technology, E-Governance Hall, Electronics Niketan, 6, CGO Complex, Lodi Road, New Delhi -110003.

To transact the following business:

1) To receive, consider & adopt the Audited Balance Sheet as on March 31, 2015 (including the statement of Income and Expenditure and all the necessary documents required by law to be annexed to the Balance sheet) and the Report of Board of Directors and Auditors thereon.

2) To reappoint Auditors and to fix their remuneration 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 K.G.Somani & Co., (Firm Reg. No. 06591N), 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 next Annual General Meeting of the Company for auditing the accounts of the Company for the financial year 2015-2016 at a remuneration of Rs. 2.25 lacs (exclusive of applicable taxes) in addition to reimbursement of traveling and other out-of-pocket expenses incurred by them in connection with the audit."



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SPECIAL BUSINESS

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

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

"RESOLVED that pursuant to the provisions of section 160 and other applicable provisions, if any, of the Companies Act, 2013, and article 17b of Articles of Association of the Company, the company be and is hereby authorizes the Ordinary members of the Company to elect nine Directors among themselves whose term shall be two years from this AGM upto the AGM to be held in the year 2017."

4) 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 Shri Rajesh Chharia or Shri S.P.Jerath, 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: 12th October, 2015

Registered Office:

Flat no. 6B, Uppals M6 Plaza,
6 Jasola District Centre,
New Delhi-110025.

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


(Rajesh Chharia)

Director

DIN: 00001049

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Notes:-

- a) The relative explanatory statement pursuant to section 102 of the Companies Act, 2013, in respect of the business under item no. 3 & 4 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 2014-15 is being sent by electronic mode as well as physical copies to those Members whose email Id & addresses are registered with the Company.



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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 & 4 of the accompanying Notice dated 12th October, 2015.

Item No. 3

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

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

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

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

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

Item No. 4

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. 4 of the Notice.

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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: 12th October, 2015

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

Registered Office:

Flat no. 6B, Uppals M6 Plaza,
6 Jasola District Centre,
New Delhi-110025.



(Rajesh Chharia)

Director

DIN: 00001049

DIRECTORS' REPORT

To

The Members

The Directors are pleased to present the 12th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ending March 31, 2015.

FINANCIAL RESULTS

(Rs. in lacs)

	Year Ended	
	2014-2015	2013-2014
INCOME		
- Membership Fees	0.50	0.52
- Registration Charges (.IN)	4167.23	3894.92
- Connectivity Charges (IX)	173.73	162.64
- Data transfer Differential (net)	28.55	48.34
- Affiliation Fees	224.83	136.51
- Other Charges	13.52	12.33
- Interest earned	1153.61	1037.80
Total Income (A)	5761.97	5293.06
EXPENDITURE		
- Technical & Operating Expenses	1159.51	882.64
- Establishment	49.92	29.26
- Administrative and Promotional Expenses	1144.65	1435.10
- Depreciation	23.55	45.33
Total Expenditure (B)	2377.63	2392.33
Surplus prior to appropriation and Prior Period Adjustment (C)=(A) – (B)	3384.34	2900.73
Add: Prior Period Adjustment (D)	0.00	79.12
Less: Transferred to Marketing Fund (E)	(434.79)	(378.74)
Net Surplus (C)+(D) – (E)	2949.55	2601.10




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OPERATIONS:

During the financial year, the operational revenue has gone up from Rs. 4242.94 lacs to 4594.85 lacs and made a net surplus of Rs. 2949.55 lacs (Previous Year Rs.2601.10 lacs) after consideration of interest income of Rs.1153.61 lacs (Previous year 1037.80 lacs). The surplus includes Rs. 174.91 lacs from exchange operation, Rs. 2742.79 lacs from Registry operations (after the appropriation to Marketing Reserve), and Rs.31.85 lacs from the activity of National Information Registry (NIR). The total allocation to and utilization from marketing fund during the year is Rs.434.79 lacs (previous year appropriation Rs. 378.74 lacs and utilization Rs.494.72 lacs). The accumulation to market fund Reserve account stands at Rs.736.53 lacs on 31.03.2015. This represents the unutilized balance at the close of the agreement on December 31, 2013, which is pending for settlement with the technical service provider. The matter is likely to be resolved shortly. The reserve funds have reached the level of Rs.13948.31 lacs (Previous Year Rs. 10995.53 lacs) excluding marketing reserve fund.

OUTLOOK FOR THE YEAR 2015-16:

- To increase the quantum of traffic exchange from the present 35 Gbps to 45 Gbps.
- Increase in no. of Affiliates joining IRINN from 1181 to 1500
- Reaching 3 millions .IN domain registration by 2016.

CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of business of the Company during the year 2014-15.

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.




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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 QUALIFICATIONS IF ANY:

The Auditor's report doesn't contain any qualifications.

REAPPOINTMENT OF AUDITORS:

M/s K.G.Somani & 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 K.G.Somani & Co., Chartered Accountants to their appointment and a certificate, to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed there under and that they satisfy the criteria provided in section 141 of Companies Act, 2013. Being eligible, Board recommends their reappointment as Statutory Auditors for the financial year 2015-2016.

DIRECTORS:

On demitting the office of Secretary, DeitY, due to superannuation, Shri J. Satyanarayana tendered his resignation from the post of Nominee Directorship of the Company w.e.f 30/04/2014.

The Ministry of Communications and Information Technology, Department of Electronics & Information Technology (DeitY) nominated Shri R S Sharma and Dr. Ajay Kumar on the Board of Directors of the Company w.e.f. 10/06/2014.

Further, consequent upon transfer to Department of Science and Technology, Shri J. B. Mohapatra tendered his resignation from the post of Nominee Directorship of the Company on 15/12/2015 which was received by the Company on 19/02/2015.

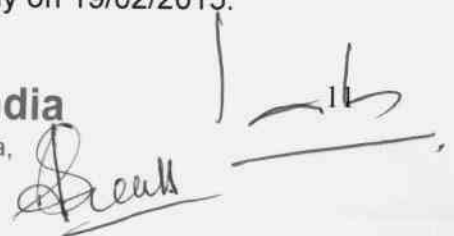
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Ms. Anuradha Mitra took the charge as Joint Secretary and Financial Adviser, Deity and was nominated on the Board of Directors of the Company w.e.f 24/02/2015.

The Board placed on record its appreciation for the contribution made by Shri J. Satyanarayana and Shri J.B.Mohapatra during the tenure of their directorship.

Further, 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 2014-15:

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	30/06/2014	13	12
2	28/08/2014	13	8
3	22/12/2014	12	8
4	26/03/2015	13	7

B) Committee meetings:

i) IX Advisory Committee

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	13/08/2014	9	6
2	16/03/2015	8	7

ii) .IN Advisory Committee

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	14/08/2014	6	3
2	16/03/2015	4	2

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[Signature]
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iii) .IN Marketing Advisory Committee

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	03/06/2014	8	4
2	16/03/2015	8	3

iv) NIR Committee

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	13/08/2014	5	4

v) Audit Committee

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	22/08/2014	3	3
2	20/03/2015	3	3

vi) Committee of HR & Organization Structure

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	03/06/2014	6	5

vii) Corporate Governance Committee

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	03/06/2014	4	3
2	16/03/2015	4	3



viii) Committee on Investment of surplus funds

S.No.	Date of meeting	Total Members on the date of meeting	No. of Members attending the Meeting
1	14/08/2014	4	4

C) Attendance of Directors:

S.No.	Name of Director	No. of Board Meetings		% of attendance	No. of Committees in which member	No. of Committee Meetings		% of attendance
		Held during tenure	Attended (Personally or through video conference)			Held during tenure	Attended	
1	Shri R S Sharma	4	4	100				-
2	Shri J.B. Mohapatra	2	2	100	1	1	1	100
3	Dr. Ajay Kumar	4	4	100	2	-		-
4	Ms. Anuradha Mitra	1	-	0	1	1	1	100
5	Prof. Ashok Jhunhunwala	4	1	25	1	1	1	100
6	Shri Rajesh Chharia	4	4	100	10	12	12	100
7	Dr Omkar Rai	4	2	50	1	1	1	100
8	Shri Anil Jain	4	3	75	4	7	3	45
9	Shri S P Jerath	4	3	75	5	8	5	65
10	Shri Ravi	4	1	25	1	-	-	-

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Secretary 14

	Prakash Gandhi							
11	Shri B C Jain	4	3	75	5	8	6	75
12	Shri Neeraj Sonker	4	1	25	7	8	3	40
13	Shri Sharad Sanghi	4	1	25	2	2	2	100
14	Shri M. P. Vijay Kumar	4	1	25	2	2	1	50

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not given any loans or guarantees and not made any investments covered under the provisions of section 186 of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

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

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



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PARTICULARS OF ENERGY CONSERVATION

CONSERVATION OF ENERGY

Measures taken for Conservation of energy. - Nil

Additional investment and proposal for reduction of energy usage- Nil

TECHNOLOGY ABSORPTION -

NIL

FOREIGN EXCHANGE EARNINGS AND OUTGO

Earning in foreign exchange:

From Domain registrations

Rs. Rs.287.85 lacs

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

Expenditure in Foreign Currency

-Subscription & Travelling

Rs.143.35 lacs

DIRECTORS' RESPONSIBILITY STATEMENT

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

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;


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- iv. they have prepared the annual accounts on a going concern basis;
- v. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

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

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

(Rajesh Chharia)

Director

DIN: 00001049

(S.P. Jerath)

Director

DIN: 00952740

Place : New Delhi

Date: 12th October, 2015

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Annexure I

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2014-15.

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 2014-15:

a. Name(s) of the related party and nature of relationship: Shri Sharad Sanghi (Director)

b. Nature of contracts / arrangements / transactions: Availing of Services of Netmagic IT Services Private Limited for hosting Internet Exchange at Noida.

c. Duration of the contracts / arrangements / transactions: 5years

d. Salient terms of the contracts or arrangements or transactions including the value, if any:

i) Annual prices for 3 racks including 6 KVA power + L1 Support: Rs. 10.80 lacs.

ii) Annual prices for 2 Mbps Bandwidth charges: Rs. 0.48 lacs.

iii) 100 Cross connect for fibre and UTP cables: Rs. 1 lac (One time only)

iv) Management and installation charges: Nil


National Internet Exchange of India

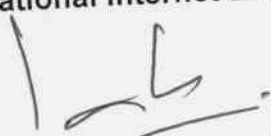
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v) Total cost : Rs. 12.28 lacs for first year, Rs. 11.28 lacs for 2nd and 3rd year and Rs. 11.772 lacs for 4th and 5th year

e. Date(s) of approval by the Board, if any: 26/03/2015

f. Amount paid as advances, if any: Nil

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



(Rajesh Chharia)

Director

DIN: 00001049



(S.P. Jerath)

Director

DIN: 00952740

Place : New Delhi

Date: 12th October, 2015

ANNEXURE II

EXTRACT OF ANNUAL RETURN

for the financial year ended on 31st March 2015

[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: 7th March 2013
- iii) Name of the Company: NATIONAL INTERNET EXCHANGE OF INDIA
- iv) Category / Sub-Category of the Company: Incorporated u/s 25 of the Companies Act 1956 (now section 8 of Companies Act 2013) - a Public Company not having share capital.
- v) Address of the Registered office and contact details : Flat No. 6B, Uppals M6 Plaza, 6, Jasola District Centre, New Delhi-110025. Website: www.nixi.in, www.registry.in, www.irinn.in, Tel.: +91-11-48202000
- vi) Whether listed company: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main Activities	NIC Code of the Product/ service	% to total turnover of the company
1	Internet Exchange	NA	4.41%
2	.IN registry	NA	90.69%
3	NIR	NA	4.89%

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




National Internet Exchange of India

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CIN-U72900DL2003NPL120999
www.nixi.in, www.registry.in, www.irinn.in

- ii) Shareholding of Promoters: NA
- iii) Change in Promoters' Shareholding: NA
- iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NA
- v) Shareholding of Directors and Key Managerial Personnel: NA

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NA
- B. Remuneration to other directors: Nil
- C. Remuneration to key managerial personnel other than MD/Manager/WTD: NA




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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

(Rajesh Chharia)

Director

DIN: 00001049

(S.P.Jerath)

Director

DIN: 00952740

Place : New Delhi

Date: 12th October, 2015

National Internet Exchange of India

Regd. Off.: Flat No. 6B, 6th Floor, Uppals M6 Plaza,
Jasola District Centre, New Delhi-110025

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

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QIN-U72900DL2003NPL120999

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF National Internet Exchange of India

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **National Internet Exchange of India** ("the Company registered under section 8 of companies act 2013"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Income and Expenditure, the Statement of Receipt & Payment and Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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



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

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

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraphs 3&4 of Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, since in our opinion and according to the information and explanation given to us being a section 8 company, the said order is not applicable to the company.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Statement of Income & Expenditure, Statement of Receipt & Payment and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 to the financial statements.
- b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.



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

A handwritten signature in black ink, appearing to read "Anuj Somani".

CA Anuj Somani
Partner
Membership No.511267

Date: 12.10.2015
Place: New Delhi

NATIONAL INTERNET EXCHANGE OF INDIA
BALANCE SHEET AS AT MARCH 31, 2015
CIN-U72900DL2003NPL120999

Particulars	Note No.	As At March 31,2015 (Rs)	As At March 31,2014 (Rs)
I EQUITY & LIABILITIES			
1) Capital Funds			
a) Grant Funds	2	74,70,392	7,94,943
b) Reserves & Surplus	3	14684,83,945	11732,06,771
2) Non Current Liabilities			
- Registration Fees Received in advance	4	1054,78,004	891,12,397
3) Current Liabilities			
a) Trade Payables	5	117,89,347	244,32,457
b) Other Current Liabilities	6	4439,94,883	3845,81,875
c) Short Term Provisions	7	1,75,980	3,47,800
Total		20373,92,551	16724,76,243
II ASSETS			
1) Non Current Assets			
a) Fixed Assets			
- Tangible Assets	8	47,15,218	53,46,230
- Intangible Assets	8	24,05,925	31,38,974
b) Loans and Advances	9	2829,22,398	2317,71,233
2) Current Assets			
a) Trade Receivables	10	235,64,328	103,32,929
b) Cash & Bank Balances	11	15669,57,445	12451,33,346
c) Short Term Loans & Advances	12	566,53,965	872,94,615
d) Other Current Assets	13	1001,73,272	894,58,916
Total		20373,92,551	16724,76,243
Significant Accounting Policies	1		
Other Notes to Accounts	19 to 31		

For and on behalf of board of directors

Dr. Govind
CEO

Rajesh Chharia
Director
DIN: 00001049

S.P. Jerath
Director
DIN-00952740

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

CA Anuj Somani
Partner
Membership No. - 511267

Place : New Delhi
Dated : 12/10/2015

NATIONAL INTERNET EXCHANGE OF INDIA
STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31st MARCH, 2015
CIN-U72900DL2003NPL120999

Particulars	Note No.	Year Ended March 31,2015 (Rs)	Year Ended March 31,2014 (Rs)
INCOME			
Revenue from Operations	14	4594,84,582	4242,93,330
Other Income	15	1167,11,732	1050,12,957
Total		5761,96,314	5293,06,287
EXPENDITURES			
Operational Expenses	16	1159,50,900	882,63,673
Employee Benefits Expense	17	49,91,527	29,25,820
Depreciation		23,55,243	47,93,166
Less: Released from Capital Grants		-	2,60,227
Other Expenses	18	1144,64,934	1435,11,023
Total		2377,62,604	2392,33,455
Excess of Income over Expenditures		3384,33,710	2900,72,832
Less: Transferred to Marketing Fund		434,78,553	378,74,318
Add: Prior Period Adjustment		-	79,11,940
Surplus carried over to Reserve & Surplus		2949,55,157	2601,10,454
Significant Accounting Policies	1		
Other Notes to Accounts	19 to 31		
<p>For and on behalf of board of directors</p> <p>  Dr. Govind CEO </p> <p>  Rajesh Chharia Director DIN: 00001049 </p> <p>  S.P. Jerath Director DIN-00952740 </p>			
<p>As per attached Report of even date for K.G.Somani & Co. Chartered Accountants Firm Registration No.06591N</p> <p>  CA Anuj Somani Partner Membership No. 511267 </p>			
<p>Place : New Delhi Dated : 12/10/2015</p>			

NATIONAL INTERNET EXCHANGE OF INDIA

STATEMENT OF RECEIPT & PAYMENT FOR THE YEAR ENDED ON MARCH 31, 2015

CIN-U72900DL2003NPL120999

RECEIPT	Note No.	Year Ended March 31,2015 (Rs.)	Year Ended March 31,2014 (Rs.)	PAYMENT	Year Ended March 31,2015 (Rs.)	Year Ended March 31,2014 (Rs.)
Opening Balance				Capital Expenditures		
Cash in Hand		31,510	16,500	Purchase of Fixed Assets	3,42,063	14,42,687
Bank Balances				Capital Advance	-	-
- Term Deposit Accounts		12188,21,803	10421,55,661	Intangible asset under development	-	-
- Current Accounts		164,89,761	584,18,447	Revenue Expenditures		
- Savings Accounts		97,90,272	104,44,426	Technical Service Charges	981,27,372	753,82,830
Revenue Receipt				Rack Space Charges	62,52,116	61,55,296
Membership Fees		50,001	52,124	Operating Charges	28,14,861	27,09,598
Registration Charges		4167,22,872	3894,92,311	Bandwidth Charges	7,12,188	6,63,533
Connectivity Charges		173,73,331	162,63,729	Backup Data Centre Charges	-	1,55,883
Data Differential Charges		28,54,955	48,34,060	APNIC Membership Fees	80,44,363	31,96,533
Affiliation Charges		224,83,423	136,51,106	Salaries and Allowances	43,20,219	27,83,933
Joining Fees		13,000	1,000	Staff Welfare Expenses	6,71,308	1,41,887
Accreditation Fees		2,50,000	4,00,000	Professional & Contractual Expenses	129,34,848	50,89,383
Interest Earned		1153,60,563	1037,80,271	Legal and Consultancy Charges	32,48,702	34,84,714
Miscellaneous Income		10,88,169	8,31,686	Grant and Sponsorship Fees	30,60,664	45,02,823
Working Capital Adjustments				Promotional Activities	310,23,626	153,13,851
Increase in Current Liabilities		465,98,077	-	Promotional Incentives	239,04,676	1257,66,053
Increase in Non Current Liabilities		163,65,607	116,94,607	Rent Paid	46,64,428	65,57,256
Decrease in Trade Receivable		-	91,83,250	Rates and taxes	59,04,000	59,04,000
Decrease in Current Assets		2508,69,536	-	Travelling & Conveyance Expenses	183,74,752	168,01,791
Revenue Grant				Repairs and Maintenance Expenses		
Grant received		100,00,000	-	- Building	8,43,896	9,04,800
Less: Utilisation during the year		(38,34,209)	-	- Equipment	24,58,100	21,21,510
Capital Receipt				- Others	3,04,079	7,30,650
Sale / Adjustment of Fixed Assets		182556	-	Interest on TDS / Service tax	-	-
				Postage and Communication Expenses	14,19,663	11,96,853
				Office Expenses	34,17,586	26,99,917
				Subscription & Membership Charges	20,05,585	8,00,677
				Advertisement Expenses	3,87,500	6,86,063
				Miscellaneous Expenses	5,12,829	4,22,903
				Promotional Incentives (Out of Marketing Fund)	434,78,553	-
				Working Capital Adjustments		
				Increase in Trade Receivable	132,31,399	-
				Increase in Current Assets	-	935,39,012
				Decrease in Current Liabilities	-	369,31,396
				Increase in Loan & Advances	2820,94,407	-
				Closing Balance		
				Cash in Hand	18,916	31,510
				Bank Balances		
				- Term Deposit Accounts	14947,96,288	12188,21,803
				- Current Accounts	589,00,506	164,89,761
				- Savings Accounts	132,41,735	97,90,272
Total		21415,11,227	16612,19,178	Total	21415,11,227	16612,19,178

Significant Accounting Policies
Other Notes to Accounts

1
19 to 31

For and on behalf of board of directors

Dr.Govind
CEO


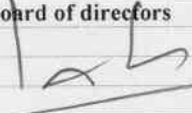


Rajesh Chharia
Director
DIN: 00001049

S.P.Jerath
Director
DIN-00952740

Place : New Delhi
Dated : 12/11/2015

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

CA Anuj Somani
Partner
Membership No. - 511267

NATIONAL INTERNET EXCHANGE OF INDIA				
CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2015				
CIN-U72900DL2003NPL120999				
Particular		As At March 31,2015 (Rs)		As At March 31,2014 (Rs)
(A) Cash from operational activities				
Surplus from operational activities		2949,55,157		2601,10,454
Adjustments for				
Depreciation	23,55,243		45,32,939	
Interest Earned	(1153,60,563)		(1037,80,271)	
Prior Period Adjustment	-		(79,11,940)	
Appropriation to Marketing Fund (net of utilisations made)	-	(1130,05,320)	(115,97,903)	(1187,57,175)
Operational Surplus before working capital changes		1819,49,837		1413,53,279
Current Assets				
Increase in Receivables	(132,31,399)		-	
Decrease in Receivables	-		91,83,250	
Increase in Other Current Assests	2508,69,536		(935,39,012)	
Decrease in Loans & Advances	(2820,94,407)		-	
Current liabilities (Increase)	465,98,077		(369,31,393)	
Non-current liabilities (Increase)	163,65,607	185,07,415	116,94,605	(1095,92,550)
Net cash from operating Activities		2004,57,252		317,60,729
(B) Cash flow from financing Activities				
Revernue Grant received from DeitY		100,00,000		-
Expenses incurred in IIGF adjusted with Revenue Grant		(38,34,209)		-
Sale of Fixed Assets		1,82,554		-
Purchase of Fixed assets		(3,42,063)		(14,42,687)
(C) Cash Flow from Investing Activities				
Interest Earned		1153,60,563		1037,80,271
Net Increase in Cash and Cash Equivalent		3218,24,097		1340,98,313
Cash and Cash equivalent at the beginning of the Period		12451,33,346		11110,35,033
Cash and Cash equivalent at the end of the Period		15669,57,443		12451,33,346
For and on behalf of board of directors		As per attached Report of even date for K.G.Somani & Co. Chartered Accountants Firm Registration No.06591N		
 Dr.Govind CEO	 Rajesh Chharia Director DIN: 00001049	 S.P.Jerath Director DIN-00952740	 CA Anuj Somani Partner Membership No. - 511267	
Place : New Delhi Dated : 12/10/2015				

NATIONAL INTERNET EXCHANGE OF INDIA			
CIN-U72900DL2003NPL120999			
		AS AT	AS AT
	Particulars	March 31,2015	March 31,2014
		(Rs.)	(Rs.)
Note 2: Government Grants			
Capital Grants			
	Balance brought forward from previous year	7,94,943	89,67,110
Add:	Adjustment for depreciation as per shcduled II to the Companies Act'2013	5,09,658	-
Less:	Adjustment on account of depreciation	-	2,60,227
	Adjustment related to earlier years	-	79,11,940
		13,04,601	7,94,943
Revenue Grants			
	Balance brought forward from previous year		
Add:	Received during the year (IIGF Project)	100,00,000	-
		100,00,000	-
Less:	Utilisation during the year	38,34,209	-
		61,65,791	-
		74,70,392	7,94,943
Note 3: Reserves & Surplus			
Reserve & Surplus - Statement of Income and Expenditure			
	Balance Brought forward from previous year	10995,53,430	8394,42,976
Add:	Adjustment for depreciation as per shcduled II to the Companies Act'2013	3,22,017	
Add:	Surplus brought down from Statement of Income and Expenditure	2949,55,157	2601,10,454
		13948,30,604	10995,53,430
Marketing Fund (Refer Note No.21)			
	Balance brought forward from previous year	736,53,341	852,51,244
Add:	Transferred from Statement of Income and Expenditure	434,78,553	378,74,318
Less:	Utilised duing the year	434,78,553	494,72,221
		736,53,341	736,53,341
		14684,83,945	11732,06,771

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NATIONAL INTERNET EXCHANGE OF INDIA			
CIN-U72900DL2003NPL120999			
		AS AT	AS AT
	Particulars	March 31,2015	March 31,2014
		(Rs.)	(Rs.)
Note 4: Non Current Liabilities			
	- Registration Fees Received in advance	1054,78,004	891,12,397
		1054,78,004	891,12,397
Note 5: Trade Payables			
	- Technical Service Charges Payable	100,72,881	200,66,380
	- Operational Charges Payable (STPI)	14,40,681	40,27,935
	- Other Operational Payables	2,75,785	3,38,142
	Total	117,89,347	244,32,457
Note 6: Other Current Liabilities			
	- Registration Fees & Affiliation Fees Received in Advance	2430,63,550	2093,13,639
	Other Payables		
	Advance from ISP/Registrars/Afiliates	615,04,339	574,61,215
	- Data Transfer Differentials Dues (Net of Receivables)	1147,66,730	818,65,139
	- Statutory dues	137,24,605	129,27,143
	- Others	109,35,659	230,14,739
	Total	4439,94,883	3845,81,875
Note 7 : Short Term Provisions			
	- Provision for Leave Encashment	1,75,980	3,47,800
		1,75,980	3,47,800

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NATIONAL INTERNET EXCHANGE OF INDIA

CIN-U72900DL2003NPL120999

Note 8: Fixed Assets

	ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		(Rs.)
		AS ON 31.03.2014	Additions	Sales/Adjustment	AS ON 31.03.2015	For the * Period	Adjustment / Written off	Retained Earning **	AS ON 31.03.2015	AS ON 31.03.2014
	Tangible Assets:									
1	Air Conditioners	13,88,988	-	-	13,88,988	-	-	(2,53,715)	13,19,539	69,449
2	Computers, Routers & Servers	714,43,689	2,14,153	1,01,523	715,56,319	15,66,485	38,323	12,34,136	671,08,257	44,48,062
3	Electrical Installations	48,064	-	48,064	-	-	36,881	-	-	-
4	Furniture & Fixtures	5,79,219	5,400	5,53,505	31,114	3,225	4,68,105	-	21,998	9,116
5	Office Equipments	6,91,026	1,22,510	17,649	7,95,887	52,484	17,649	(1,48,748)	6,07,296	1,88,591
6	Structural Improvements	97,872	-	97,872	-	-	75,101	-	-	-
		742,48,858	3,42,063	8,18,613	737,72,308	16,22,194	6,36,059	8,31,673	690,57,090	47,15,218
	Intangible Asset									
7	Software	65,39,529	-	-	65,39,529	7,33,049	-	-	41,33,604	24,05,925
	Total	807,88,387	3,42,063	8,18,613	803,11,837	23,55,243	6,36,059	8,31,673	731,90,694	71,21,143
	Previous Year	793,45,700	14,42,687	-	807,88,387	47,93,166	-	-	723,03,184	84,85,204
										96,92,930

* Including Rs. NIL (Previous Year Rs. 2,60,227/-) being adjusted from capital grants received during earlier year.
** The impact on account of applicability of schedule II has been adjusted towards Reserve & Surplus and capital grant.

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NATIONAL INTERNET EXCHANGE OF INDIA			
CIN-U72900DL2003NPL120999			
		AS AT	AS AT
	Particulars	March 31,2015	March 31,2014
		(Rs.)	(Rs.)
Note 9 : Non Current (Unsecured, considered good unless otherwise stated)			
	Capital Advances		
	Other than related parties	-	8,27,991
	- Income-tax/TDS Recoverable	2829,22,398	2309,43,242
		2829,22,398	2317,71,233
Note 10 : Trade Receivables			
	Outstanding for a period exceeding six months from the due date		
	(Unsecured, considered good)	136,93,729	25,44,216
	Others		
	(Unsecured, considered good)	98,70,599	77,88,713
		235,64,328	103,32,929
Note 11 : Cash and Bank Balances			
	Cash & Cash Equivalents		
	a) Balance with Banks		
	- in Current Accounts	589,00,506	164,89,761
	- in Savings Accounts	132,41,735	97,90,272
	b) Cash in Hand	18,916	31,510
		721,61,157	263,11,543
	Other Bank Balances		
	Term Deposits with Banks	14947,96,288	12188,21,803
	Total	15669,57,445	12451,33,346
Note 12 : Short Term Loans and Advances			
	Advances Recoverable in Cash or in Kind		
	(Unsecured, considered goods)	70,59,471	235,68,089
	Prepaid Expenses	24,89,165	9,28,689
	Taxes and Duties Recoverable (Unsecured, considered good)	-	
	- CENVAT Credit	471,05,329	627,97,837
		566,53,965	872,94,615
Note 13 : Other Current Assets			
	Technical Service Charges Paid in Advance	513,35,189	419,99,832
	Interest Accrued on Term Deposits with Banks	488,38,083	474,59,084
		1001,73,272	894,58,916

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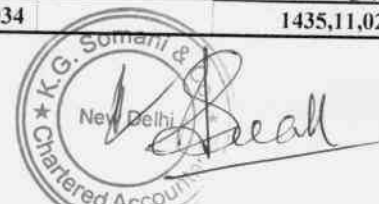


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NATIONAL INTERNET EXCHANGE OF INDIA				
CIN-U72900DL2003NPL120999				
		Year Ended March 31,2015 (Rs.)		Year Ended March 31,2014 (Rs.)
Note:14 Revenue from Operations				
- Membership Fees		50,001		52,124
- Registration Charges		4167,22,872		3894,92,311
- Connectivity Charges		173,73,331		162,63,729
- Data Transfer Differential Charges		28,54,955		48,34,060
- Affiliation Fees		224,83,423		136,51,106
Total		4594,84,582		4242,93,330
Note:15 Other Income				
Joining Fees		13,000		1,000
Accreditation Fee		2,50,000		4,00,000
Interest Earned		1153,60,563		1037,80,271
Miscellaneous Income		10,88,169		8,31,686
Total		1167,11,732		1050,12,957
Note:16 Operational Expenses				
Technical Service Charges		981,27,372		753,82,830
Rack Space Charges		62,52,116		61,55,296
Operating Charges		28,14,861		27,09,598
Bandwidth Charges		7,12,188		6,63,533
Back-Up Data Centre Charges		-		1,55,883
APNIC Membership Fees		80,44,363		31,96,533
Total		1159,50,900		882,63,673
Note:17 Employee Benefits Expense				
Salaries and Allowances		43,20,219		27,83,933
Staff Welfare Expenses		6,71,308		1,41,887
Total		49,91,527		29,25,820
Note:18 Other Expenses				
Professional & Contractual Expenses		129,34,848		50,89,383
Legal and Consultancy Charges		32,48,702		34,84,714
Meetings, conferences & Seminar Activities		30,60,664		45,02,823
Grant and Sponsorsip Fees		310,23,626		153,13,851
Marketing Expenses (including rebates)	673,83,229		1257,66,053	
Less: Recovered from Marketing Fund Reserve	434,78,553	239,04,676	494,72,221	762,93,832
Other Promotional Activity		46,64,428		65,57,256
Rent Paid		59,04,000		59,04,000
Travelling & Conveyance Expenses		183,74,752		168,01,791
Repairs and Maintenance Expenses		-		
- Building		8,43,896		9,04,800
- Equipment		24,58,100		21,21,510
- Software		2,94,468		7,30,650
- Others		9,611		
Postage and Communication Expenses		14,19,663		11,96,853
Office Expenses		34,17,586		26,99,917
Subscription & Membership Charges		20,05,585		8,00,677
Advertisement Expenses		3,87,500		6,86,063
Miscellaneous Expenses		5,12,829		4,22,343
Total		1144,64,934		1435,11,023

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Note: 1

SIGNIFICANT ACCOUNTING POLICIES

i) Financial Statements

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

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

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

ii) Use of Estimates

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

iii) Government Grants

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

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under the capital grant are capitalized and amortized over the period, the amortization of these assets is reflected as adjustment for depreciation under the head of Capital Grants.

iv) **Fixed Assets**

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

v) **Depreciation**

- a) Depreciation on fixed assets is provided from the month in which assets are put to use, on written down value method, at the life of assets prescribed under Schedule II of the Companies Act, 2013 with effect from April 1st, 2014. Depreciation on assets disposed off is provided up to the month of disposal. Till March 31st, 2014 depreciation on the assets has been charged on the basis of Schedule XIV to the Companies Act 1956.

An amount of Rs.1.83 lacs has been adjusted against the accumulated profits in respect of those assets where useful life has already been exhausted and which have no residual life as at 1st April, 2014. Further, the depreciation for the current year is higher by Rs.3.45 lacs due to change in accounting policy.

vi) **Employee Retirement Benefits**

The Company provides for leave encashment benefit on accrual basis. Other benefits viz, PF & ESI have become applicable on company with effect from period falling in the current financial year on attaining the required strength of persons engaged with the company (including those engaged on contract basis) as prescribed under the relevant Acts. Considering the applicability of these Acts, the company has made required contribution to Provident Fund & Employees State Insurance Fund and the same has been

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charged to the Income & Expenditure Account on accrual basis. The provision for leave encashment benefit is made on accrual basis. The

vii) **Income recognition**

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

viii) **Technical Services Payments**

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

ix) **Grants Paid**

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

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OTHER NOTES TO ACCOUNTS

19. Following the routing and tariff policy in force and the decision of Board of Directors the data transfer charges (representing charges receivables amounting to Rs.1324.98 lacs less charges payable amounting to Rs.2472.65 lacs, from and to ISPs respectively) are grouped together and the net resultant balance is shown under liability/assets as the case may be. The amount of charges (Rs28.55 lacs {Previous Year Rs.48.34 lacs}) identified as not payable during the year due to applicability of P factor (introduced in the calculation of payment for inter connection between the ISPs) is carried to Income under data transfer differential charges.
20. The outgoing data transfer charges amounting to Rs.1652.71 lacs (net of service tax and TDS impact and including Rs.168.91 lacs relating to previous financial year) 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.
21. In accordance with the agreement entered into between NIXI and its service provider for provision of Technical services, the charges to Technical Service Provider (TSP) were paid in terms of the said agreement after transferring certain specified amount to an account titled "Marketing Fund" for use as specified in the agreement. The balance at the close of the year in the account stands at Rs. 736.53 lacs (previous year Rs. 736.53 lacs). This represents the amount lying to the credit of Marketing Fund as on Dec 31, 2012, the date of expiry of the earlier contract with TSP. Pending the manner of settlement with TSP, these unutilized funds have been reflected under marketing fund only. The amount of Rs.434.79 lacs (previous year Rs.494.72 lacs) credited to the marketing reserve during the year as per the terms and condition of the new agreement with TSP effective from January 01, 2013 has been utilized during the year for marketing activities.
22. a) The Company is registered under Section 25 of the Companies Act,1956 and also under Section 12AA of the Income Tax Act,1961 and is therefore, exempt from income tax under Section 11 &12 of the Income Tax Act, 1961. Therefore, no provision for

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income tax has been considered necessary and also the provisions of the Accounting Standard-22 on 'Accounting for Taxes on Income' are not applicable to the Company.

- b) The income-tax department has also issued a show cause notice for withdrawal of the exemption granted u/s 12 A of Income Tax Act, 1961 which has been contested by the Company. Based on the legal opinion and subsequent legislative amendments, the management is of the view that the activities of the Company fall under the revised provisions of Sec 2 (15) of the Act and therefore, the exemption available to the Company shall continue to exist. There has been no further communication received from Income Tax Department in their regard changing the financial year
- c) The Company has also filed an application u/s 10(46) of the Income Tax Act for seeking income tax exemption for activities of the Company which is pending for disposal. The response from the office of CBDT is awaited.
- d) The income tax assessment has been completed up to A.Y. 2012-13. The appeals for the Assessment year 2009-10 & 2011-12 have been decided in favour of company. For Assessment year 2010-11 and 2012-13, the appeals against the assessment order for additional demand created amounting to Rs.404.11 lacs and Rs.373.33 lacs respectively are pending before the C.I.T. Appeals. Based on the decisions of appeal by CIT (Appeals) in favour of company, no provision for the additional demand and interest thereon has been made in the accounts. Income Tax Department has gone in appeal with ITAT against the order of CIT appeal for Assessment Year 2009-10. Pending the decision of ITAT, the amount lying as recoverable from Income Tax Department has been clubbed with refund due from department and shown as recoverable under short term loan and advances. The amounts of Rs.1285.11 lacs (previous year 813.91 lacs) on accounts demands being raised and appeal filed by the department have been considered as contingent liability.
- e) The company's appeals against the service tax assessments up to the year 2010 are pending before CESTAT (Appeals). Pending the disposal of appeals, no provision of Rs.654.80 lacs, interest and penalty thereon has been made in the accounts. The company

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has been issued show cause cum demand notice amounting to Rs. 738.45 lacs for the period of April 2010 to June 2012. Based on legal examination and opinion, the company is of the opinion that there is a strong case of dropping of the demand at both CESTAT and commissioner level. Therefore, no provision has been created for the demand and interest thereon and penalties, if any. Both the amounts aggregating to Rs.1393.25 (previous year Rs.1393.25) have however been considered as contingency liability.

23. In the opinion of the board of directors of the Company, the value on realization of current assets, loans and advances in the ordinary course of activities of the Company would not be less than the amount at which they are stated in the Balance Sheet and provision for all known liabilities has been made.
24. Based on the information available with the Company, no balance is due to Micro & Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March 2015. Further during the year no interest has been paid, accrued or payable under the terms of the said Act.
25. Claims against the company not acknowledged as debts – Rs.59.64 lacs (Previous Rs.8.00 lacs) excluding those disclosed elsewhere in these notes to accounts.
26. Earnings and Expenditure in foreign currency (on cash basis):

(Amount in lacs)

Sr.No.	Particular	Current Year	Previous Year
1	Earning in Foreign Currency		
	- From Registry Operation *	287.85	330.95
2	Expenditure in Foreign Currency		
	-Travelling Expenses	28.66	48.46
	(net of surrender of foreign exchange		
	- Subscription & Sponsorship	114.69	40.75

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

27. In respect of provisions/payments made to members for services availed during the course of the company's operation, the management is of the view that taking into consideration the procedure followed, the transactions are on arm's length basis and no benefit in money or money's worth have been given or accrued to any of its members:

28. Legal and Professional charges include amount paid/payable to statutory auditors towards:

Audit Fees (excluding service tax) Rs. 2.00 Lacs (Previous Year-Rs. 1.75 lacs)

Reimbursement of expenses Rs. 0.25 Lacs (Previous Year-Rs. 0.14 lacs)

Total Rs. 2.25 Lacs (Previous Year-Rs. 1.89 lacs)

29. Balances of accounts with some of the parties having debit/credit balances are subject to confirmation/ reconciliation. The impact, if any, subsequent to the reconciliation will be taken in the year the confirmation/reconciliation is carried out.

30. The Company has identified that there is no material impairment of assets and as such no provision is required in terms of Accounting Standard-28 on "Impairment of Assets".

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









BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details.

Registration No.

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

State code 5 5

3 1

0 3

1 5

Balance Sheet

Date Month Year

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

Public Issue

N I L

Business Issue

N I L

Rights Issue

N I L

Private Placement

N I L

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

Total Liabilities

2 0 3 7 3 9 2 5 5 1

Total Assets

2 0 3 7 3 9 2 5 5 1

Sources of Funds

Paid-up Capital

N I L

Secured Loan

N I L

Reserves Surplus

1 4 6 8 4 8 3 9 4 5

Unsecured Loans

N I L

Application Funds

Net Fixed Assets

7 1 2 1 1 4 3

Net Current Assets

1 2 9 1 3 8 8 8 0 0

Investments

N I L

Deferred Revenue Charges

N I L

Accumulated Losses

N I L

IV. Performance of Company (Amount in Rs.)

Turnover

5 7 6 1 9 6 3 1 4

Total Expenditure*

2 3 7 7 6 2 6 0 4

*(excluding the appropriation of Rs.4,34,78,553/-)

Income/Expenditure before tax

0 0 2 9 4 9 5 5 1 5 7

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

Earning per Share in Rs.

N A

Income/Expenditure after tax

0 0 2 9 4 9 5 5 1 5 7

Dividend rate %

N A

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

Item Code No.

(ITC Code)

Product

Description

National Internet Exchange of India

Regd. Off.: Flat No. 6B, 6th Floor, Uppals M6 Plaza,

Jasola District Centre, New Delhi-110025

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

CIN-U72900DL2003NPL120999

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

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[illegible]

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Product	Description
Product	Description

[illegible]

Product Description

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Item Code No.
(ITC Code)[illegible]

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

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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 12th ANNUAL GENERAL MEETING being held on 30th day of October 2015 at 1200 Hrs. at the Ministry of Communications and Information Technology, Department of Information Technology, E-Governance Hall, Electronics Niketan, 6, CGO Complex, Lodi Road, New Delhi –110003.

Signature of the Member/Proxy present

Note:

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



National Internet Exchange of India

Regd. Off.: Flat No. 6B, 6th Floor, Uppals M6 Plaza,
Jasola District Centre, New Delhi-110025
Tel.: +91-11-48202000, Fax: +91-11-48202013
CIN-U72900DL2003NPL120999
www.nixi.in, www.registry.in, www.irinn.in

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. 6B, Uppals M6 Plaza, 6 Jasola District Centre, New Delhi-110025

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

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

1. Name:
Address:
Email Id:
Signature:, or failing him
2. Name:
Address:
Email Id:
Signature:, or failing him
3. Name:
Address:
Email Id:
Signature:

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, the 30th day of October 2015 at 1200 Hrs. at Ministry of Communications and Information Technology, Department of Electronics & Information Technology,

National Internet Exchange of India

Regd. Off.: Flat No. 6B, 6th Floor, Uppals M6 Plaza,
Jasola District Centre, New Delhi-110025
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CIN-U72900DL2003NPL120999
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E-Governance Hall, Electronics Niketan, 6, CGO Complex, Lodi Road, New Delhi -110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

- 1) To receive, consider & adopt the Audited Balance Sheet as on March 31, 2015 (including the statement of Income and Expenditure and all the necessary documents required by law to be annexed to the Balance sheet) and the Report of Board of Directors and Auditors thereon.
- 2) To reappoint Auditors and to fix their remuneration
- 3) To conduct the Election of Directors among the Ordinary Members of the Company and declaration of the result.
- 4) 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-----2015

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. 6B, Uppals M6 Plaza, 6 Jasola District Centre, New Delhi-110025 not less than Forty-Eight hours before the commencement of the Meeting.
2. A member shall not be entitled to appoint any other person as his proxy unless such other person is also a member of such company.
3. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the Meeting.

