



19<sup>th</sup> | **ANNUAL  
REPORT**  
2018-19

## *Vision*

Evolve as the most preferred IT Solutions & Services Company in the BFSI sector to realise value for stakeholders.

## *Mission*

To render optimal IT services and innovative solutions to BFSI sector by leveraging technology with intellectual capital, to accomplish customer delight.



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# Board of Directors



**Shri Rakesh Sharma**  
Chairman



**Dr. A. S. Ramasastry**  
Independent Director



**Shri A. P. Hota**  
Independent Director



**Dr. Tejendra M. Bhasin**  
Independent Director



**Shri Narayanamurthy Vishnubhotla**  
Director



**Shri Surajit Roy**  
Managing Director & CEO

#### Company Secretary

Shri Ritesh Kumar Jain

#### Registered Office

IDBI Intech Ltd.,  
IDBI Bank Building, Plot No. 39-41,  
Sector 11, CBD Belapur, Navi Mumbai 400614.

#### Auditors

Patel & Deodhar  
Chartered Accountant  
2-A, Siddhi Vinayak Chambers, Opp. Mig Club,  
Bandra (E), Mumbai 400051.

#### Banker

IDBI Bank Ltd. Mumbai

## Management Team



**Shri A. Praveen Kumar**  
Executive Vice President  
(Technology Services)



**Shri V. Balasubramanian**  
Executive Vice President  
(Business Solutions Group)



**Smt. Lata Prasad**  
Sr. Vice President  
(Administration)



**Smt. Moni Ganguly**  
Vice President  
(Human Resource)



**Shri Param Kumar**  
Vice President  
(Business Development  
& IT Services)



**Shri Saurabh Srivastava**  
Vice President  
(Data Centre Management)



**Shri Samik Bandyopadhyay**  
(Chief Financial Officer)

## Message from MD & CEO

Dear Shareholders,

This is an honour and privilege to present the 19<sup>th</sup> Annual Report of your Company for the Financial Year ended March 31, 2019. Company has recorded total income of ₹ 8,814 lacs and profit of ₹ 884 lacs during this period. The growth in revenue was 12% in financial year 2018-19 as compared to FY 2017-18. The External Business grew by 33% in current financial year over FY 2017-18.

Your Company has received “Banking Frontier’s Technoviti Award 2019” for i-RTMS product at “7<sup>th</sup> International Trade Fair and conference on Banking Technology Equipment and services IBEX 2019”.

Your Company, being abreast with the IT happenings in the BFSI sector, committed to provide optimal and cost effective state-of-art IT solutions to its customers. Apart from the flagship products i-AML, i@Connect and i-AMS, company recently has developed new products like i-RTMS, i-Recon solution and i-Vault which have been well received by the customers.

Your Company is well positioned to address the opportunities in the BFSI sector and will establish itself as a leading IT Solutions provider. We are committed to address the emerging opportunities and expand our customer base and offerings.

Your Company has the pool of talented and experienced resources who continue to be the backbone of the company’s business growth plans. Company has been receiving a lot of support and encouragement from parent organization IDBI Bank, Group Companies and also from the external customers. I sincerely thank all our customers for their support and faith reposed in Intech. I would also like to express my sincere gratitude and thanks to our Board of Directors for their valuable guidance at all times.

I am grateful to all stakeholders, customers and vendors who have reposed their faith and trust in us and given their valuable support.

Surajit Roy  
Managing Director & CEO



## Directors' Report

To,  
The Members of IDBI Intech Limited

Your Directors are pleased to present the 19<sup>th</sup> Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended March 31, 2019.

### Financial Performance:

The highlights of the company's financial performance for the year ended March 31, 2019 with comparative figures for the previous year are given below:

### Financial Highlights:

Particular As at Year end	Amount (₹ in Lakhs)	
	2018-19	2017-18
Income from Operations	8,814.73	7,844.95
EBIDTA	1,029.11	364.67
Less: Depreciation	82.17	86.51
<b>Profit from Operations</b>	<b>946.94</b>	<b>278.16</b>
Less: Exchange Rate Fluctuation (Gain) / Loss (net)	(3.03)	1.20
Less: Interest	0.03	0.98
Add: Other Income	310.61	186.98
<b>Profit Before Tax</b>	<b>1,260.55</b>	<b>462.96</b>
Less: Provision for Taxation	376.93	161.93
<b>Profit After Tax</b>	<b>883.62</b>	<b>301.03</b>
Add: Balance brought forward from previous year	3,437.18	3,294.16
<b>Balance available for appropriation</b>	<b>4,320.80</b>	<b>3,595.19</b>
<i>Appropriation:</i>		
Interim Dividend	--	131.28
Tax on Dividends	--	26.73
<b>Balance carried to Balance Sheet</b>	<b>4,320.80</b>	<b>3,437.18</b>

### Company's Major achievements in FY 2018-19

- The growth in revenue was 12% in current financial year as compared to FY 2017-18.
- External Business contributed 34% of total revenue in FY18-19 as compared to 29% in FY17-18. External Business grew by 33% in current financial year over FY 2017-18 to ₹ 29.90 Crs. from ₹ 22.46 Crs.
- 31 new orders won during FY18-19 having total contract value of ₹ 9.49 Crs., as compared to 14 orders with a value of ₹ 3.11 Crs. in FY17-18, representing an increase of 121% by number of orders and jump of 205% in terms of value.

### Business Overview

IDBI Intech has been the IT backbone of IDBI Bank Ltd. and its Subsidiaries & Associate companies. The End-to-End IT services provided by Intech include software development & customizations of IT solutions, procurement of hardware and software, management of Data Center, Disaster Recovery (DR) and Near DR sites, IT consultancy services, BPO services etc. to name a few.

Intech, being abreast with the IT happenings in the BFSI sector, resolves to provide optimal and cost effective state-of-art IT solutions to its clients, to complement their business processes. Apart from the flagship products i-AML, i-Connect and i-AMS, Intech recently has developed new products like i-RTMS, i-Recon solution and i-Vault which have been well received in the market.

During the Financial Year 2018-19, Intech has embarked upon and concluded various IT projects for its clients. Some of the specific initiatives have been enumerated below:

#### A) New Initiatives

##### i-Recon Solution

A end to end reconciliation solution which provides three way reconciliation along with settlement and dispute management of channel transactions covering ATM and Payment systems etc. This solution has been developed on latest technology utilizing big data concept and is PA-DSS certified.

##### i-RTMS (Real Time Monitoring System)

This application has been developed for transaction and message scanning facility for identification of suspicious transactions on real time basis. The application is flexible enough to scan the transactions and messages on pre-defined rules as per clients requirements.

##### i-Vault

This solution is developed to manage the entry and retrieval of Aadhaar Number in highly secure manner as per UIDAI guidelines. i-Vault provides user interface to obtain Aadhaar Numbers as input, encrypt it and store securely in a vault.

### Mobile App for Nodal Officers of Legal Department

Mobile App has been provided to Nodal officers of Legal Department, representing Bank in DRT and DRAT cases for near real time monitoring of cases.

### Geo Tagging Mobile Application (Geo-IDBI)

Mobile application for Bank officials has been developed to capture visit details along with asset latitude and longitude and photographs on real time basis. Visit reports are made available to controlling offices for effective monitoring.

#### B) Initiatives for Customer Service

##### Mobile Banking Phase 2

To provide better services to customers new features have been introduced in mobile app for NRIs, HUF and minors. Additionally FD / RD opening and renewal and foreign currency transactions display is also provided in mobile app for existing users.

##### Retail Internet Banking - Online FDOD

Another feature provided through iNet banking for customers to avail Overdraft facility on Fixed Deposit of the customers.

##### LIC Banca Assurance

An application has been developed to provide facility to IDBI Bank customers to purchase LIC products from any IDBI Branch. There is seamless integration with IDBI Bank and LIC systems through on-line APIs.

##### Rapid Pay Module

Rapid Pay module has been developed exclusively to collect renewal premium of LIC policy holders. Through this Facility any LIC policy holder can pay his / her renewal premium hassle free by way of cash and transfer cheque at any of IDBI Bank Branches.

#### C) Green Initiatives

##### Statutory Branch Audit Application

This application automates the process of compliance from branches in a timely manner. Data is collected from multiple sources and collated into 17 annexures. This minimizes the time in terms of data submission and compliance. Additionally LFAR (Long Form Audit Report) has been integrated within this application to enable internal audit department to collect timely information from identified branches / central offices to be further submitted to ACB.

##### Automation of Re-KYC in Core Banking and Email & SMS

This application is an end-to-end automated process to pick up the customers data from CBS due for Re-KYC and intimates the customer through SMS / email. A self-declaration from customer is sufficient in case there is no change in details and updates the CBS accordingly.

## Online SSA and PPF Subscription

The facility to pay subscription for SSA and PPF through Internet Banking has been implemented. The facility to view the on-line SSA/PPF account details and statement is also made available.

## D) Migration / Up-gradation

### Finacle 7.x hardware up-gradation

To cater the growing volumes of the present and future business the Finacle 7.x CBS hardware has been up-graded to new state of art IBM Power 8 systems.

### Swift 7.2 Version Migration

The Swift system has been migrated to the latest platform which is highly secure and efficient and meet all the security guidelines stipulated by regulators.

### i-AML Version Up-gradation

New enhanced version of AML have been implemented covering Trade Based Money Laundering and other regulatory requirements. The rule based screening is changed from Account based to Customer based screening.

## E) Government Schemes

### GEM - National Public Procurement Portal - SGPA

Necessary changes have been done to integrate the Bank's systems with the GEM Portal.

### STP for DDA Pension through NEFT

To efficiently handle the pension payments to DDA staff, the remittance process has been automated to transfer pension through NEFT without any manual intervention.

### Saral Karj Bhugtan Yojana (SKBY-OTS)

SKBY application has been developed as one time settlement scheme launched by government to enable defaulters to pay their dues in scheduled manner. End to end process has been automated with the new application developed in-house.

## Infrastructure Services

Intech manages the state-of-the-art Tier III Data Centre, Near DR Site and Disaster Recovery Site of IDBI group companies. Intech has helped IDBI Bank to upgrade its Core Banking System (CBS) infrastructure using an efficient, on-demand and scalable IT platform. Intech has also setup the servers & storage infrastructure for i-AML project of Allahabad Bank.

## Network Infrastructure

Redundant network backbone has been deployed and managed by Intech for the Bank, to provide seamless access to critical banking applications on 24x7 basis.

ACI (Application Centric Infrastructure) has been implemented in both the Data centres, which has enhanced the security for Data

Centre Server segment. Using EPG (End Point Security) feature, Bank has been able to comply with PCI guidelines. This has helped the Bank to protect the physical and virtual environment and secure the communication between East-West traffic.

Implementation of Micro segmentation based on latest VM-Ware NSX technology with vRA (vRealize Automation) and with ACI infrastructure in progress. This will ensure critical financial applications are protected from Internal as well as external attacks. It provides pro-active alerts, VM base NIC layer security and Data Centre automation.

## Security

Considering the information security threat landscape, various upgrades and new applications were undertaken to protect the Bank and also comply with latest regulatory & other security requirements. Key amongst these are listed below

- Network access control (NAC) has been implemented in the bank for restricting the access of network resources to critical devices.
- Active Directory infrastructure has been upgraded to Windows Server 2016. This AD infrastructure will support new windows desktop operating systems like Windows 10 and above for their browser and group policies compatibility.
- Firewall Analyser tool has been implemented to give visibility across all firewall and also to get network topology intelligence regarding Source to Destination.

## External Business

- Intech has initiated a focussed approach on marketing of products and services in BFSI sector. Some of the products like Anti Money Laundering Software, Aadhaar Data Vault, Audit Management System, Reconciliation Software and Payments Middleware are well received by several customers.
- In order to create awareness about the organisation and visibility of our products, we have participated in the International Exhibition and Conference on Banking Technology (IBEX) 2019 by setting up a stall and received excellent response from clients in BFSI sector.
- Intech has been successful in creating a reasonable space for itself in the BFSI sector. The external business contributed 34% (₹ 29.90 Crs.) of total revenue in the current FY as compared to 29% (₹ 22.46 Crs.) in previous year.
- There has been tremendous growth in terms of number of order bagged by Intech during FY 2018-19, during FY 2017-18 Intech received 14 orders whereas during FY 2018-19 the number is 31.

## Major Contracts received during the year

- Allahabad Bank project for AML implementation along with supply of servers, storage and backup solution, though an open RFP.



## Directors' Report

- Swift middleware for SIDBI and Bank of Bahrain & Kuwait
- Locker management software for DCB Bank
- Audit Management System implementation from prestigious Tirumala Tirupati Devasthanam
- BoardPAC eMeeting Software order from Reserve Bank of India and Bank of Baroda
- Supply of Microsoft Licences to IDBI Bank and Clearing Corporation of India
- Watch-List subscription from NSDL Payments Bank and IDBI Federal Limited

### Alliances

The clients in BFSI sector expect projects on turnkey basis as a total package which comprises of supply and installation of hardware, software, database and integration with other applications including manpower support. They want the support for all the components and post go-live on-site / off-site support services and integration / interfacing with their other applications.

With a view to cater to these requirements, we have partnered with major OEMs like Oracle, Dell-EMC, Microsoft, IBM etc. These reseller partnerships have opened several new business opportunities for Intech in the field of supply of hardware, database licences, OS licences etc. We are also aggressively marketing products of our partners like LexisNexis and BoardPac and getting good response from the clients.

### Awards

Intech's i-RTMS product was Awarded "Banking Frontier's Technoviti Award 2019" at a grand function organized at "7<sup>th</sup> International Trade Fair and conference on Banking Technology Equipment and services IBEX 2019" at MMRDA Grounds, BKC, Mumbai on 24<sup>th</sup> January 2019.

### HR Initiatives

Human resources is the prime asset of the organization. A knowledgeable, skilled and dedicated workforce's contribution goes a long way to enhance and promote the Brand value of the company and its products. In the fast and ever changing environment which witnesses newer technologies and business practices to stay in this competitive environment, it is imperative to constantly upgrade the knowledge of our human resources. It is equally important to provide them opportunities to upgrade their knowledge and further their career path to retain them in the high performance zone.

With these objectives, Learning and Development initiatives for Employees were organised. Trainings and knowledge sessions were conducted covering the New Technologies like Big Data, Machine Learning, Artificial Intelligence and also General Banking.

In order to recognize and incentivize the efforts made by employees towards Business Development, Incentive scheme has been introduced. With a view to acknowledge the contribution and loyalty of members of staff who have completed more than 10 years of service with Intech "Loyalty Award" scheme has been introduced.

To provide scope to employees to give in their creative and innovative ideas, Staff Suggestion Scheme was launched to invite suggestions, from employees, towards matters related to company's business, process and work environment of the company.

### STATUTORY DISCLOSURE U/s134 of Companies Act 2013

#### a) Extract of Annual Return

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

#### b) Number of Meetings of the Board / Committee of the Board

##### Board of Directors as on March 31, 2019:

- 1) Shri Rakesh Sharma (Chairman of the Board)
- 2) Shri K. P.Nair (Director)
- 3) Shri A. P.Hota (Independent Director)
- 4) Dr. A. S. Ramasastrri (Independent Director)
- 5) Shri K R Murali Mohan (MD & CEO)

#### 1) Board Meetings

The Board of Directors met 5 (Five) times during the financial year ended March 31, 2019 and the maximum gap between two Board Meetings was not more than one hundred and twenty days.

#### 2) Audit Committee of the Board

The Audit Committee of the Board comprised of the following Directors as on March 31, 2019:

- 1) Dr. A. S. Ramasastrri
- 2) Shri. K. P.Nair
- 3) Shri A. P.Hota
- 4) Shri K R Murali Mohan

During the Financial Year ended March 31, 2019 Audit Committee of the Board met 4(four) times.

Your Board of Directors has accepted all the recommendation made by the Audit Committee during the financial year ended 31<sup>st</sup> March, 2019

### 3) Nomination & Remuneration Committee of the Board Meeting

The Nomination & Remuneration Committee of the Board comprises of following Directors as on March 31, 2019:

- 1) Dr. A. S. Ramasastrri
- 2) Shri K. P. Nair
- 3) Shri A. P. Hota

During the Financial Year ended March 31, 2019 Nomination & Remuneration Committee of the Board met 5 (five) times.

### 4) Corporate Social Responsibility Committee of the Board

The Corporate Social Responsibility Committee of the Board comprises of following Directors as on March 31, 2019:

- 1) Shri K. P. Nair
- 2) Dr. A. S. Ramasastrri
- 3) Shri K R Murali Mohan

During the Financial Year ended March 31, 2019, Corporate Social Responsibility Committee of the Board met 2 (Two) times.

### c) Directors' Responsibility Statement

As required by Section 134(1)(c) of the Companies Act, 2013, the Directors of IDBI Intech Ltd. confirm that:

- 1) In the preparation of the annual accounts, for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) Accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made 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 the period ended on March 31, 2019.
- 3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) The annual accounts have been prepared on a going concern basis.

### d) Statement on declaration given by Independent Directors under Section 149(6):

All Independent Directors have declared that they have complied with the entire requirement prescribed u/s 149(6) of Companies Act 2013 and they meet all the criteria of

independence as provided in Section 149(6) of Companies Act 2013.

### e) Policies Under section 178(1) and 178(3) of Companies Act 2013.

The Company has well defined Policy on Directors' and Key Managerial Personnel appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178.

### f) Compliance with Section 134(3)(f) of the Companies Act, 2013:

The Statutory Auditors of the Company are appointed by the Comptroller and Auditor General of India. M/s Patel & Deodhar, Chartered Accountants (FRN: 107644W), Mumbai were appointed as Statutory Auditors for the Financial Year 2018-19.

There is no reservation, qualification or adverse remark in Auditor's Report.

Comptroller and Auditor General of India vide their letter dated July 16, 2019, decided not to conduct the supplementary audit of the financial statements of IDBI Intech Limited for the year ended March 31, 2019 under section 143(6)(a) of the companies Act 2013.

### g) Particulars of Loans, Guarantees or Investments Under Section 186

The Company has not given any loan or Guarantee or made any investment as prescribed u/s 186 of Companies Act 2013 during the Financial Year 2018-19.

### h) Particulars of Contracts or Arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form

No contracts or arrangement as per sec 188(1) with related parties has been entered into by the company except for transactions in the ordinary course of business during the F.Y. 2018-19 for which Omnibus approval was taken from Audit Committee of the Board at its meeting held on April 21, 2018. Details of transactions are attached as per Annexure-II in form AOC-II.

There are no materially significant related party transactions made by the Company with its Holding company, its group companies, Directors, Key Managerial Personnel or other designated person which may have a potential conflict with the interest of the Company at large.

## i) Details of Directors and Key Managerial Personnel

The Board made the following appointments / re-appointments of directors during the FY 2018-19:

Shri Rakesh Sharma (DIN: 06846594) was appointed as Additional director on the Board on March 8, 2019 and appointed as chairman of the Board.

In the last Annual General Meeting of the Company, Shri K R Murali Mohan, Managing Director & CEO (DIN-01239432) was appointed as Director not liable to retire by rotation as per the Articles of Association of the Company.

In the last Annual General Meeting of the Company, Shri A. P. Hota (DIN: 02593219) was appointed as Independent Director for a term of three years.

Further the Company has appointed Mr. Samik Bandyopadhyay as the Chief Financial Officer of the Company with effect from January 01, 2019 and Shri Dinyar Sutaria, ex-Chief Financial Officer has superannuated from the service of IDBI Intech on December 31, 2019.

In terms of the relevant provisions of the Companies Act & Article 135 and 137 of the Articles of Association of the Company, appointments and re-appointment of Directors shall be as per the items included in Notice of 19th Annual General Meeting of the Company.

## j) The amount if any, proposed to be carried to any reserve.

During the Financial year 2018-19, no amount has been proposed to be carried to any reserve.

## k) Dividend:

Your directors have recommended dividend of ₹ 1.50 per equity share of the face value of ₹ 10 each (@ 15%) amounting in the aggregate to ₹ 1,96,92,311/- (Rupees One Crore Ninety Six Lac Ninety Two Thousand Three Hundred Eleven only) to be paid to equity shareholders subject to approval of the members in Annual General Meeting.

An amount of ₹ 40,47,812/- would be paid as Dividend distribution tax on the dividend.

## l) Material Changes and Commitments:

During the Financial year ended March 31, 2019 upto the date of this Report, there are no material changes and commitments in the business affairs of the company which affects the financial position of the company.

## m) Details on the Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

### i) Conservation of Energy:

The operations of your company are not energy intensive.

### ii) Technology Absorption:

NIL

### iii) Foreign Exchange earnings and outgo:

The Company has earned foreign exchange amounting to ₹1,55,76,728/- and has outgo of foreign exchange amounting to ₹ 15,12,355/- during the Financial year 2018-19 as compared to corresponding figures of ₹ 1,21,68,318/- and ₹ 10,41,207/- in the previous Financial Year.

## n) A statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company

The Risk Management Policy has been implemented by the Company and is in force. There is no such element of risk which may threaten the existence of the Company.

## o) The details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;

The Company has well defined Corporate Social Responsibility (CSR) Policy. Section 135(1) of Companies Act 2013 which prescribed the criteria of CSR eligibility has since been amended vide Companies (Amendment) Act 2017 by replacing any financial year by immediately preceding financial year; the company is not falling under the eligible criteria for applicability of aforesaid provisions. Accordingly, CSR provisions for FY 2018-19 are not applicable to the company. Hence company has not spent any amount on CSR activities for FY 2018-19.

## p) Evaluation of Independent and Non Independent Directors

The formal annual evaluation of Non Independent Directors has been carried out by Independent Directors at their meeting held on May 8, 2019 and the Board of Directors have evaluated the performance of Independent Directors at its meeting held on May 8, 2019 as prescribed under Schedule IV of the Companies Act 2013.

## q) Compliance of the Secretarial Standards

During the financial year, the Company has complied with the applicable Secretarial Standards i.e SS-1 and SS-2 as issued by the Institute of the Company Secretaries of India.

## Directors' Report

### Share Capital:

The Authorised, issued, subscribed and paid-up equity share capital of the Company has not been increased during the financial year 2018-19.

### Public Deposits:

Your Company has not invited or accepted any deposits either from the public or from the shareholders of the Company and, as such, no amount of principal or interest was outstanding as on the date of Balance Sheet.

### Whistle Blower Policy:

Your Company has prescribed Whistle Blower Policy under HR policy of the Company. This policy has been framed for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. There is no such event reported during F.Y. 2018-19.

### Disclosure under Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of Section 22 of Sexual Harassment of Woman at work place (Prevention, Prohibition and Redressal) Act, 2013 (Act), during the F.Y. 2018-19, there were no case reported. Internal Complaints Committees have also been set up to redress the Complaints received regarding sexual harassment under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### Adequacy of Internal Financial Control in respect with the Financial Statements

The Company has an Internal Financial Control System commensurate with the size, scale and complexity of its operations. Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating action on continuing basis. These are routinely tested and certified by Statutory Auditors. Significant Audit observations and follow up actions thereon, if any are reported to the Board or Audit Committee.

### Significant and Material Orders Passed by the Regulators or Courts or Tribunals.

There are no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company.

### Maintenance of Cost Records and Cost Audit

Requirements for Maintenance of Cost record and conducting cost audit as prescribed under Section 148(1) is not applicable

upon the business carried out by your Company during the financial year ended March 31, 2019.

### Instances of Fraud, If any reported by the auditors

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

### Subsidiaries, Joint Ventures and Associates Companies

The Company has neither a subsidiary nor any associate or Joint Venture Company or LLPs.

### Change in the nature of Business

During the year under review there is no change in the nature of the business of the Company.

### Acknowledgement

The Board expresses its deep gratitude to the management of IDBI Bank Ltd for advice, counsel and guidance in the functioning of the Company and looking forward to its continued support. The Board also places on record the appreciation for the business support extended by group companies of IDBI Bank Ltd, and other Business Associates, Customers and Vendors. The Board of Directors also place on record their sincere appreciation to all the employees without whose dedication and commitment and hard work, the progress of the company as reported above would not have been possible.

For and on behalf of the Board

Sd/-

Place: Navi Mumbai  
Date: 31<sup>st</sup> July 2019

Rakesh Sharma  
Chairman

**ANNEXURE - I**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

### I. REGISTRATION & OTHER DETAILS:

1. CIN:	U72200MH2000GOI124665
2. Registration Date:	March 3, 2000
3. Name of the Company:	IDBI Intech Limited
4. Category / Sub-category of the Company:	Public Limited Company
5. Address of the Registered office & contact details:	IDBI Building, Plot No. 39-41, Sector 11, CBD Belapur, Navi Mumbai 400614, e-Mail id: ritesh.jain@idbiintech.com, Phone: (+022) 3914 8000.
6. Whether listed company:	No
7. Name, Address & contact details of the Registrar & Transfer Agent, if any:	Not Applicable

### 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)

S No.	Name & Description of main products/services	NIC Code of the product/service	%to total turnover of the company
1)	IT Services	72	69%
2)	Call Centre Services	72	31%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	%of Shares held	Applicable Section
1)	IDBI Bank Limited IDBI Tower, WTC Complex, Cufe Parade, Mumbai 400005.	L65190MH2004GOI 148838	Holding Company	100%	Sec.2(46)

### IV. SHARE HOLDING PATTERN: (Equity Share Capital Breakup as percentage of Total Equity)

#### A] Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 April 2018]				No. of Shares held at the end of the year [As on 31 March 2019]				%Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
<b>A. Promoters</b>	---	---	---	---	---	---	---	---	---
<b>(1) Indian</b>									
a) Individual / HUF	---	---	---	---	---	---	---	---	---
b) Central Govt.	---	---	---	---	---	---	---	---	---
c) State Govt.(s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	Nil	1,31,28,207	1,31,28,207	100%	1,31,28,201	6	1,31,28,207	100%	Nil
e) Banks / FI	---	---	---	---	---	---	---	---	---
f) Any other	---	---	---	---	---	---	---	---	---
<b>Total shareholding of Promoter (A)</b>	<b>Nil</b>	<b>1,31,28,207</b>	<b>1,31,28,207</b>	<b>100%</b>	<b>1,31,28,201</b>	<b>6</b>	<b>1,31,28,207</b>	<b>100%</b>	<b>NIL</b>
<b>B. Public Shareholding</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>(1) Institutions</b>									
a) Mutual Funds	---	---	---	---	---	---	---	---	---



## Directors' Report: Annexure - I

b) Banks/FI	---	---	---	---	---	---	---	---	---
c) Central Govt.	---	---	---	---	---	---	---	---	---
d) State Govt.(s)	---	---	---	---	---	---	---	---	---
e) Venture Capital Funds	---	---	---	---	---	---	---	---	---
f) Insurance Companies	---	---	---	---	---	---	---	---	---
g) FIs	---	---	---	---	---	---	---	---	---
h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
i) Others (specify)	---	---	---	---	---	---	---	---	---
<b>Sub-total (B)(1):</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>2. Non-Institutions</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
a) Bodies Corp.									
i) Indian	---	---	---	---	---	---	---	---	---
ii) Overseas	---	---	---	---	---	---	---	---	---
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	---	---	---	---	---	---	---	---	---
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	---	---	---	---	---	---	---	---	---
c) Others (specify)									
Non Resident Indians	---	---	---	---	---	---	---	---	---
Overseas Corporate Bodies	---	---	---	---	---	---	---	---	---
Foreign Nationals	---	---	---	---	---	---	---	---	---
Clearing Members	---	---	---	---	---	---	---	---	---
Trusts	---	---	---	---	---	---	---	---	---
Foreign Bodies - DR	---	---	---	---	---	---	---	---	---
<b>Sub-total (B)(2):</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	---	---	---	---	---	---	---	---	---
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	<b>Nil</b>	<b>1,31,28,207</b>	<b>1,31,28,207</b>	<b>100%</b>	<b>1,31,28,201</b>	<b>6</b>	<b>1,31,28,207</b>	<b>100%</b>	<b>NIL</b>

### B) Shareholding of Promoter:

S No. Shareholder's Name	Shareholding at the beginning of the year [As on April 1, 2018]			Shareholding at the end of the year [As on March 31, 2019]			
	No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	%change in shareholding during the year
1) IDBI Bank	13128201	99.99999%	NIL	13128201	99.99999%	NIL	NIL
2) IDBI Bank jointly with Shri Satish P. Kamath	1	0.000008	NIL	1	0.000008	NIL	NIL
3) IDBI Bank jointly with Shri Biju George K	1	0.000008	NIL	1	0.000008	NIL	NIL
4) IDBI Bank jointly with Shri Rajesh Prasad	1	0.000008	NIL	1	0.000008	NIL	NIL
5) IDBI Bank jointly with Shri Venkataramana Vankara	1	0.000008	NIL	1	0.000008	NIL	NIL
6) IDBI Bank jointly with Shri S. Ganesh	1	0.000008	NIL	1	0.000008	NIL	NIL
7) IDBI Bank jointly with Shri Rakesh Kumar	1	0.000008	NIL	1	0.000008	NIL	NIL

## Directors' Report: Annexure - I

### C) Change in Promoters' Shareholding: (please specify, if there is no change)

S No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,31,28,207	100%	1,31,28,207	100%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	1,31,28,207	100%	1,31,28,207	100%

### D) Shareholding Pattern of top ten Shareholders: Not applicable (Other than Directors, Promoters and Holders of GDRs and ADRs):

S No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NA	NA	NA	NA
	At the end of the year	NA	NA	NA	NA

### E) Shareholding of Directors and Key Managerial Personnel:

S No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

### V) INDEBTEDNESS:

#### Indebtedness of the Company including interest outstanding / accrued but not due for payment. (Amt in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 2018-19</b>				
i) Principal Amount	---	---	---	---
ii) Interest due but not paid	71,824	---	---	---
iii) Interest accrued but not due	---	---	---	---
<b>Total (i+ii+iii)</b>	<b>71,824</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	85,12,140	---	---	---
Reduction	85,85,000	---	---	---
<b>Net Change</b>	<b>(1,036)</b>	---	---	---
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	(1,036)	---	---	---
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
<b>Total (i+ii+iii)</b>	<b>(1,036)</b>	---	---	---

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A] Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

S No.	Particulars of Remuneration	MD/WTD/Manager	Total Amount
	Name	K R Murali Mohan	
	Designation	MD & CEO	
1)	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37,49,008	37,49,008
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	----	----
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	----	----
2)	Stock Option	----	----
3)	Sweat Equity	----	----
4)	Commission		
	- as % of profit	----	----
	- others, specify	----	----
5)	Others, please specify	----	----
	Total (A)	37,49,008	37,49,008
	Ceiling as per the Act		

\*Shri K R Murali Mohan MD & CEO was on deputation from IDBI Bank and his salary was reimbursed to IDBI Bank as per their Invoice.

### B] Remuneration to other Directors

(Amount in ₹)

SN	Particulars of Remuneration	Fee for attending board/ committee meetings*	Commission	Others, please specify	Total
1	<b>Independent Directors</b>				
	Dr. A. S. Ramasastry	1,15,000	----	----	1,15,000
	Mr. Abhaya P Hota	95,000	----	----	95,000
	<b>Total (1)</b>	<b>2,10,000</b>	----	----	<b>2,10,000</b>
2	<b>Other Non-Executive Directors</b>				
	Mr. Rakesh Sharma	----	----	----	----
	Mr. K.P. Nair	----	----	----	----
	<b>Total (2)</b>	----	----	----	----
	<b>Total (B) = (1+2)</b>	<b>2,10,000</b>	----	----	<b>2,10,000</b>
	Total Managerial Remuneration				NA
	Overall Ceiling as per the Act [U/s 197(1)(i)]				NA

\*₹10,000 for attending Board meetings, ₹10,000 for attending Audit Committee Meeting and ₹5,000 for attending other committee meetings/Independent Directors Meeting.

### C] Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

SN	Particulars of Remuneration	Key Managerial Personnel			Total
	Name	Ritesh Kumar Jain	*Dinyar Sutaria	**Samik Bandyopadhyay	
	Designation	CS	CFO	CFO	
1)	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,44,744	27,26,313	6,31,540	51,02,597
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,48,727	2,73,259	14,474	5,36,460
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	----	----	----	----
2)	Stock Option	----	----	----	----
3)	Sweat Equity	----	----	----	----
4)	Commission				
	- As % of profit	----	----	----	----
	- Others, specify...	----	----	----	----
5)	Others, please specify	----	----	----	----
	<b>Total</b>	<b>19,93,471</b>	<b>29,99,572</b>	<b>6,46,014</b>	<b>56,39,057</b>

\*Dinyar Sutaria Chief Financial Officer up to December 31, 2018. \*\*Samik Bandyopadhyay Chief Financial Officer with effect from January 01, 2019.

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD/NCLT /COURT]	Appeal made, if any give Details
<b>A. Company</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. Directors</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. Other Officers In Default</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Place: Navi Mumbai  
Date: 31<sup>st</sup> July 2019

For and on behalf of the Board  
Sd/-  
Rakesh Sharma  
Chairman

## Annexure III - 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 during FY 2018-19 referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**I) Details of contracts or arrangements or transactions not at arm's length basis**

Sr. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts	Salient terms of the contract or arrangements or transactions including the value, if any:	Justification for entering into such contacts or arrangement or transactions	Date(s) of Omnibus approval by the Audit Committee of the Board	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as required under proviso to section 188
NIL								

**II) Details of material contracts or arrangement or transactions at arm's length basis**

Sr. No.	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts	Salient terms of the contract or arrangements or transactions including the value, if any:	Date(s) of Omnibus approval by the Audit Committee of the Board	Amount paid as advance, if any
1.	IDBI Bank Ltd.	<b>Amount Received / Receivable from</b> IT Advisory & Consultancy Services, ATM Implementation Services, Manpower Services, Customer care Services, Training Services and Interest on Fixed Deposit with Bank	FY2018-19	₹ 62,31,73,397	April 21, 2018	-- Nil --
		<b>Amount paid / Payable</b> Interest on Overdraft Account, Gift Card Purchase from IDBI Bank, Bank Charges (Including BG Commission), Deputation Salary (MD& CEO)	FY2018-19	₹ 68,84,655	-----	-----

Place: Navi Mumbai  
Date: July 31, 2019

Sd/-  
Rakesh Sharma  
Chairman



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IDBI INTECH LIMITED Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of IDBI Intech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the 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 accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit, 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

- a) We draw attention to Note B (xiii)-Cash & Cash equivalents accounting policy and schedule 13-Cash & Bank balances, wherein during the financial year Company has considered bank deposits maturing within 12 months from the balance sheet date as cash & cash equivalents, prior to this only bank deposits with original maturity within 3 months was considered under cash & cash equivalents. Previous years balances have also been reclassified accordingly. Cash & Cash Equivalent would have been ₹ 4 Crores instead of ₹31.24 crores as on 31-March-19, as per previous year policy on cash equivalents.  
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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting standards specified under section 133 of the Act and other accounting principles generally accepted in India. 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 Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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)(l) 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1] As required by Section 143(3) of the Act, based on our audit 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, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the accounting standard 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year has been approved by the board dated 28th March, 2019 subject to the shareholder

- approval in next general meeting is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has not disclosed the impact of pending litigations on its financial position in its financial statements. As per the information received from the management, all of these cases are pending of OBST division and management is of the opinion that there will not be much of the financial impact of these litigations. Refer Note 24b to the financial statements.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses.
  - iii) There were no amounts which were required to be transferred by the company to the Investor Education and Protection Fund.
- 2] As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 3] Report on Directions issued by Comptroller and Auditor General of India u/s 143(5) of Companies Act, 2013

Sr.No. Directions	Remarks
1) Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financials implications, if any may be stated.	Yes, all accounting transactions are process through Tally ERP 9. During the year, there are no accounting transactions process outside Tally ERP 9, therefore there is no financials implications and on integrity of the accounts
2) Whether there is any restructuring of an existing loan or cases of waiver/write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Not Applicable
3) Whether funds received / receivable for specific schemes from central / state agencies were properly accounted for / utilized as per its term and conditions? List of the cases of deviation.	Not Applicable

Place: Mumbai  
Date: 8-May-2019

For Patel & Deodhar  
Chartered Accountants  
Firm registration No: 107644W  
Sd/-  
Taher. A. Pepermintwala  
Partner  
Membership No: 135507

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of IDBI Intech Limited of even date)

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

We have audited the internal financial controls over financial reporting of IDBI Intech LIMITED ("the Company") as of March 31, 2019 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section

143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to 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 internal financial controls system over financial reporting of the Company.

**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.

**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, to the best of our information and according to the explanations given to us, 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, 2019, 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 Patel & Deodhar  
Chartered Accountants  
Firm registration No.: 107644W  
Sd/-  
Taher. A. Pepermintwala  
Partner  
Membership No: 135507

Place: Mumbai  
Date: 8-May-2019

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of IDBI Intech Limited of even date)**

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets  
(b) The fixed assets were physically verified by the management at the year-end and such verification has revealed no material discrepancies. In our opinion, having regard to the size of the Company and nature of its fixed assets, the frequency of physical verification of the fixed assets is reasonable.  
(c) There are no immovable properties as on the balance sheet date, hence not applicable.
- 2) The company is in the business of IT related service & data centers. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the order is not applicable to the company.
- 3) The company has not granted any loans, secured or unsecured to companies, firms, LLP's or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 iii (a) to (c) of the order are not applicable to the company and hence not commented upon.
- 4) In our opinion, and according to the information and explanations given to us, the Company has not undertaken any transactions during the year in respect of loans, guarantees and securities covered under Section 185 and section 186 of the Companies Act, 2013

- 5) According to information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the Company.
- 7) (a) According to information & explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of accounts in respect of undisputed applicable statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax and any Other Statutory Dues have been generally regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax and any Other material Statutory Dues were in arrears as on 31 March 2019 for a period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us, the following dues of income tax and value added tax have not been deposited by the company on account of disputes.

Name of the statute	Nature of dues	Pending Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
MVAT Act 2002	Sales Tax	2,50,266	FY-2010-11	Dy. Commissioner Sales Tax
MVAT Act 2002	Sales Tax	3,36,549	FY-2011-12	Dy. Commissioner Sales Tax
MVAT Act 2002	Sales Tax	5,47,963	FY-2012-13	Dy. Commissioner Sales Tax
MVAT Act 2002	Sales Tax	5,28,065	FY-2013-14	Dy. Commissioner Sales Tax
MVAT Act 2002	Sales Tax	4,76,053	FY-2014-15	Dy. Commissioner Sales Tax
MVAT Act 2002	Sales Tax	4,38,217	FY-2015-16	Dy. Commissioner Sales Tax
Income Tax Act 1961	Income Tax	4,12,920	AY-2013-14	CIT (Appeals)
Income Tax Act 1961	Income Tax Demand	99,213	AY-2014-15	CIT (Appeals)
Service Tax	Service Tax	83,64,562 (paid ₹ 51,13,362/- under protest)	FY 2012-13 to FY 2017-18	Commissioner of Central Tax (Appeals)

- 8) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year, except overdraft facility from IDBI Bank Ltd. (paragraph 3 (viii) of the Order)
- 9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 10) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by or on the Company by its officers or employees was noticed or reported during the year.
- 11) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance the provision of section 197 read with Schedule V to the act, wherever applicable.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13) According to information & explanations given to us and on the basis of our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable. MD-CEO is on deputation from IDBI Bank Ltd. (Holding Company) for which approval of the Board has been obtained u/s 188 of the Act. The details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) According to information & explanations given to us and on the basis of our examination of the records of the company, during the year, under review the company has not made preferential allotment of preference shares & Private placement of Equity shares.
- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) The Company is not required to be registered under section 45-IA of RBI Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Patel & Deodhar  
Chartered Accountants  
Firm registration No: 107644W  
Sd/-  
Taher. A. Pepermintwala  
Partner  
Membership No: 135507

Place: Mumbai  
Date: 8-May-2019



## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF IDBI INTECH LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of IDBI Intech Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 08 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of IDBI Intech Limited for the year ended 31 March 2019 under section 143(6) (a) of the Act.

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

Sd/-  
(Tanuja Mittal)  
Principal Director of Commercial Audit and  
Ex-officio Member, Audit Board - I, Mumbai

Place: Mumbai  
Date: 16/07/2019

# Balance Sheet as at 31<sup>st</sup> March 2019

	Refer Note No.	As at 31 <sup>st</sup> March 2019 (₹)	As at 31 <sup>st</sup> March 2018 (₹)
<b>Equity &amp; Liabilities</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	13,12,82,070	13,12,82,070
Reserves & Surplus	3	43,20,79,434	34,37,17,611
		<b>56,33,61,504</b>	<b>47,49,99,681</b>
<b>Non Current Liabilities</b>			
Other Non Current Liabilities	4	15,75,697	7,16,919
Deferred Tax Liability (Net)	9	15,74,378	----
<b>Current Liabilities</b>			
Trade Payables			
i) Dues to Micro and Small Enterprises		7,85,547	5,84,906
ii) Dues to others		1,18,00,226	91,24,855
Other Current Liabilities	5	2,18,14,350	3,47,72,235
Short Term Borrowings	6	----	71,824
Short Term Provisions	7	2,92,80,481	3,28,51,382
		<b>6,36,80,604</b>	<b>7,74,05,202</b>
<b>Total</b>		<b>63,01,92,183</b>	<b>55,31,21,802</b>
<b>Assets</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	8		
i) Tangible Assets		1,13,20,770	1,66,63,441
ii) Intangible Assets		76,43,996	72,99,248
iii) Capital Work in Progress		36,56,400	27,27,400
Deferred Tax Asset (Net)	9	----	23,15,323
Long Term Loans & Advances	10	7,16,82,696	4,74,68,356
Other Non Current Assets	11	6,94,76,989	1,22,57,552
		<b>16,37,80,851</b>	<b>8,87,31,320</b>
<b>Current Assets</b>			
Trade Receivables	12	7,68,75,404	18,06,00,396
Cash & Bank Balances	13	31,23,68,871	25,33,71,776
Other Current Assets	14	7,71,67,057	3,04,18,310
		<b>46,64,11,332</b>	<b>46,43,90,482</b>
<b>Total</b>		<b>63,01,92,183</b>	<b>55,31,21,802</b>

Notes forming part of Financial Statements

1 to 32

As per our report attached.  
For Patel & Deodhar  
Chartered Accountants  
Firm registration No.: 107644W

For and on behalf of the Board of Directors

Sd/-  
Taher A. Pepermintwala  
Partner  
Membership No.: 135507

Sd/-  
K R Murali Mohan  
Managing Director & CEO

Sd/-  
Rakesh Sharma  
Chairman

Place: Mumbai  
Date: May 8, 2019

Sd/-  
Ritesh Kumar Jain  
Company Secretary

Sd/-  
Samik Bandyopadhyay  
Chief Financial Officer

# Profit & Loss Statement for the year ended 31<sup>st</sup> March 2019

	Refer Note No.	Year Ended 31 <sup>st</sup> March 2019 (₹)	Year Ended 31 <sup>st</sup> March 2018 (₹)
<b>Revenue</b>			
Revenue from Operations	15	88,14,73,147	78,44,94,794
Other Income	16	3,10,61,618	1,86,98,639
<b>Total</b>		<b>91,25,34,765</b>	<b>80,31,93,433</b>
<b>Expenses</b>			
Employee Benefits Expenses	17	69,33,07,772	68,99,38,891
Other Operating Expenses	18	6,13,59,391	5,80,89,532
Finance Cost		3,068	98,221
Products for Resale		2,38,94,947	----
Exchange Rate Difference (Net)		(3,02,940)	1,20,065
Depreciation & Amortization Expenses	8	82,17,403	86,50,615
<b>Total</b>		<b>78,64,79,641</b>	<b>75,68,97,324</b>
<b>Profit Before Tax</b>		<b>12,60,55,124</b>	<b>4,62,96,109</b>
<b>Tax Expenses</b>			
Income Tax - Current		(3,38,03,600)	(1,73,11,000)
Income Tax - Deferred		(38,89,701)	11,25,914
Prior Period Tax Adjustment		----	(8,324)
		<b>(3,76,93,301)</b>	<b>(1,61,93,410)</b>
<b>Profit for the year</b>		<b>8,83,61,823</b>	<b>3,01,02,699</b>
Earnings per share (Face value ₹ 10/- per share)			
Basic & Diluted	19	6.73	2.29

Notes forming part of Financial Statements 1 to 32

As per our report attached.  
For Patel & Deodhar  
Chartered Accountants  
Firm registration No.: 107644W

For and on behalf of the Board of Directors

Sd/-  
Taher A. Pepermintwala  
Partner  
Membership No.: 135507

Sd/-  
K R Murali Mohan  
Managing Director & CEO

Sd/-  
Rakesh Sharma  
Chairman

Place: Mumbai  
Date: May 8, 2019

Sd/-  
Ritesh Kumar Jain  
Company Secretary

Sd/-  
Samik Bandyopadhyay  
Chief Financial Officer

# Cash Flow Statement for the year ended 31<sup>st</sup> March 2019

	Year Ended 31 <sup>st</sup> March 2019 (₹)	Year Ended 31 <sup>st</sup> March 2018 (₹)
<b>A) Cash Flow from Operating Activities</b>		
Net Profit before Tax	12,60,55,124	4,62,96,109
Adjustment for:		
Depreciation and Amortisation Expenses	82,17,403	86,50,615
Provision for the Doubtful Accounts	19,69,700	13,04,100
Loss / (Gain) on Asset Transfer	15,347	(47,000)
Interest on Bank Deposits	(1,54,73,190)	(1,32,08,159)
Interest on Overdraft	3,068	98,221
<b>Operating Profit before Working Capital Changes</b>	<b>12,07,87,452</b>	<b>4,30,93,886</b>
Adjustment for:		
Changes in Trade Receivables	10,17,55,292	(16,17,49,240)
Changes in Loans & Advances	(5,09,97,595)	50,54,249
Changes in Current Liabilities	(1,37,24,598)	4,25,43,050
Changes in Other Non-Current Liabilities	8,58,778	1,19,668
<b>Cash Flow from Operations</b>	<b>15,86,79,329</b>	<b>(7,09,38,387)</b>
Direct Taxes Paid (Net)	(5,68,65,397)	(2,42,61,595)
<b>Net Cash Flow from Operating Activities</b>	<b>10,18,13,932</b>	<b>(9,51,99,982)</b>
<b>B) Cash Flow from investment activities</b>		
Interest on Bank Deposits including Accrued Interest	1,33,02,888	1,26,26,576
Long Term Fixed Deposits	(13,84,27,038)	2,13,98,055
Payment to Capital Vendors (Net of Sale Proceeds)	(41,63,828)	(29,65,114)
<b>Net Cash Flow from Investment Activities</b>	<b>(12,92,87,978)</b>	<b>3,10,59,517</b>
<b>C) Cash Flow from Financing Activities</b>		
Dividend paid	----	(1,58,00,801)
Interest on Overdraft	(3,068)	(98,221)
<b>Net Cash flow from financing activities</b>	<b>(3,068)</b>	<b>(1,58,99,022)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(2,74,77,114)</b>	<b>(8,00,39,487)</b>
Cash and Cash Equivalent at the beginning of the period	24,46,33,254	32,46,72,741
<b>Closing Cash and Cash Equivalent (Refer Note 13)</b>	<b>21,71,56,140</b>	<b>24,46,33,254</b>

As per our report attached.  
For Patel & Deodhar  
Chartered Accountants  
Firm registration No.: 107644W

For and on behalf of the Board of Directors

Sd/-  
Taher A. Pepermintwala  
Partner  
Membership No.: 135507

Sd/-  
K R Murali Mohan  
Managing Director & CEO

Sd/-  
Rakesh Sharma  
Chairman

Place: Mumbai  
Date: May 8, 2019

Sd/-  
Ritesh Kumar Jain  
Company Secretary

Sd/-  
Samik Bandyopadhyay  
Chief Financial Officer

## 1) A Background

IDBI Intech Limited, established in March 2000 under the Companies Act, is a wholly owned subsidiary of IDBI Bank Limited. The Company is engaged in information technology sector for consulting, technology, innovative products & outsourcing services, training and certification in BFSI sector.

## B Significant Accounting Policies

### i Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with generally accepted accounting principles applicable in India under the historical cost convention. These financial statements comply in all material aspects with the applicable provisions of the Companies Act, 2013 (the "Act").

### ii Use of Estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between actual results and estimates are recognised in the year in which the results are known / materialised. Example of such estimates include provision for doubtful debts, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provisions for impairment. The management believes that the estimates used in preparation of financial statements are prudent and reasonable.

### iii Revenue Recognition

Revenues from software solutions and consulting services are recognized on specified terms of contract. In case of contract on time and material basis revenue is recognised when the related services are performed and in case of fixed price contracts revenue is recognized using percentage of completion method of value of the contract and completed service. Revenue from sale of software applications and products are recognized on transfer of property of goods or on achievement of milestone. Revenue from Annual technical services are recognized proportionately over the period in which services are rendered.

The impact of any revision in contract value of the percentage of work completed is reflected in the year in which the change becomes known. Amount received or billed in advance of services performed are recorded as unearned revenue. Unbilled services included in other current assets represents amount recognized based on services performed in advance of billing in accordance with contract terms. Revenue is reported net of discount/incentive.

Revenue from call centre arises from unit priced contracts, time based contracts, cost based projects and engagement services. Such revenue is recognised on completion of the related services and is billed in accordance with the specific terms of the contract with the client.

Interest Income is recognised on time proportion basis.

### iv Property, Plant and Equipment (PPE) and Intangible Assets

Property, Plant and Equipments are stated at cost of acquisition less accumulated depreciation / amortisation and impairment loss, if any. Cost includes all expenses incurred for acquisition of assets to bring them to working conditions for intended use. The intangible assets like softwares, on which propriety rights continue with the company, are capitalized at costs.

Asset under installation or under construction as at Balance Sheet date are shown as capital work-in-progress.

### v Depreciation and Amortisation

Depreciation and amortisation on fixed assets is provided on straight-line method based on the estimated useful lives of the assets as determined by the management based on the expert technical advice / stipulations of schedule II to the Act. Assets individually costing less than ₹ 5,000/- are fully depreciated in the year of addition.

Asset Class	Estimated Useful Life
<b>Computer &amp; Accessories</b>	
Servers & Networks	6 years
Desktops & Laptops	3 years
<b>Office Equipments</b>	
Mobile Handsets	3 years
Other Equipments	5 years
Power Equipments	10 years
Furniture & Fixtures	10 years
Motor Car	8 years
Electrical Installations	10 years
Intangible Assets	5 years

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

### vi Foreign Currency Transaction

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Exchange differences arising on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. Monetary items denominated in foreign currency are restated using the exchange rate prevailing at the date of the Balance Sheet and the resulting net exchange difference is recognized in the Statement of Profit and Loss.

With a view to minimize the volatility arising from fluctuations in currency rates, the Company enters into foreign exchange forward contracts. Forward exchange contracts and other similar instruments that are not in respect of forecasted transactions are accounted for using the guidance in Accounting Standard ('AS') 11, 'The effects of changes in foreign exchange rates'. For such forward exchange contracts and other similar instruments covered by AS 11, based on the nature and purpose of the contract, either the contracts are recorded based on the forward rate / fair value at the reporting date, or based on the spot exchange rate on the reporting date.



## vii Employee benefits

### I) Post-employment benefits and other Long Term Benefit Plans:

Payments to defined contribution schemes are expensed as incurred. For defined benefit schemes and other long term benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits become vested. The retirement benefit liability recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of available refunds and /or reduction in future contributions to the scheme.

### ii) Short Term Employee Benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the year when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and bonus payable.

## viii Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

## ix Lease

### i) Finance Lease

Assets taken on finance lease are accounted for as fixed assets at lower of present value of the minimum lease payments and the fair value and a liability is recognised for an equivalent amount. Lease payments are apportioned between finance charge and reduction in outstanding liability.

### ii) Operating Leases

“Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised as expenses on straight line basis over the lease term.”

## x Taxes on Income

Income Taxes are accounted for in accordance with Accounting Standard (AS22) on “Accounting for Taxes on Income”. Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid or recovered from the tax authorities using the applicable tax rates. Deferred taxes are recognised for future tax consequence attributable to timing difference between taxable income and accounting income, measured at relevant enacted / substantively enacted tax rates.

In the event of unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Minimum Alternate Tax (MAT) credit entitlement is recognized in accordance with the Guidance Note on “Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961” issued by The Institute of Chartered Accountants of India (ICAI). MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will be able to adjust against the normal income tax during the specified period. At each balance sheet date, the Company reassesses MAT credit assets and adjusts the same, where required.

Advance taxes paid and provisions for current income taxes are presented net in the balance sheet if arising in the same tax jurisdiction and where the entity intends to settle the asset and liability on a net basis.

## xii Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## xiii Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when as a result of past events there is a present obligation that can be estimated reliably and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised, but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

## xiii Cash and Cash Equivalents

The company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and deposits maturing within twelve months from the closing date are considered to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

<b>2) Share Capital</b>	<b>As at 31<sup>st</sup> Mar 19 (₹)</b>	<b>As at 31<sup>st</sup> Mar 18 (₹)</b>
(a) Authorised Capital 7,50,00,000 equity shares of ₹ 10/- each 25,00,000 preference shares of ₹ 100/- each	75,00,00,000 25,00,00,000 <b>1,00,00,00,000</b>	75,00,00,000 25,00,00,000 <b>1,00,00,00,000</b>
(b) Issued, Subscribed & Paid up 1,31,28,207 equity shares of ₹ 10/- each fully paid up	13,12,82,070 <b>13,12,82,070</b>	13,12,82,070 <b>13,12,82,070</b>
(c) Reconciliation of Number of Shares Shares outstanding at the beginning of the year Shares issued during the year Shares brought back during the year Shares outstanding at the end of the year	1,31,28,207 ----- ----- <b>1,31,28,207</b>	1,31,28,207 ----- ----- <b>1,31,28,207</b>
(d) Rights, preferences and restrictions attached to equity shares. The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held.		
(e) Details of shares held by shareholders holding more than 5% shares IDBI Bank Ltd. (holding company) in no. equity shares of ₹ 10 each % of holding	1,31,28,207 <b>100%</b>	1,31,28,207 <b>100%</b>
(f) "No dividend was distributed to equity shareholders during the financial year ended March 31, 2019 (financial year ended March 31, 2018 ₹ 1 per share)."		

<b>3) Reserves &amp; Surplus</b>	<b>As at 31<sup>st</sup> Mar 19 (₹)</b>	<b>As at 31<sup>st</sup> Mar 18 (₹)</b>
<b>Balance in Statement in Profit and Loss</b>		
Opening Balance	34,37,17,611	32,94,15,713
(+) Transfer from balance in Statement of Profit and Loss	8,83,61,823	3,01,02,699
(-) Dividend Paid	-----	(1,31,28,207)
(-) Tax on Dividend Paid	-----	(26,72,594)
<b>Closing Balance</b>	<b>43,20,79,434</b>	<b>34,37,17,611</b>

<b>4) Other Non Current Liabilities</b>	<b>As at 31<sup>st</sup> Mar 19 (₹)</b>	<b>As at 31<sup>st</sup> Mar 18 (₹)</b>
(a) Creditors for Expenses	5,97,251	5,97,251
(b) Earnest Money Deposits	3,00,000	-----
(c) Employee Benefits - OBST (Refer Note 24 b)	6,78,446	1,19,668
	<b>15,75,697</b>	<b>7,16,919</b>

<b>5) Other Current Liabilities</b>	<b>As at 31<sup>st</sup> Mar 19 (₹)</b>	<b>As at 31<sup>st</sup> Mar 18 (₹)</b>
(a) Unearned Revenues	56,63,980	18,70,547
(b) Statutory Liabilities	1,53,20,072	3,18,51,422
(c) Expenses Payable	8,30,298	10,50,266
	<b>2,18,14,350</b>	<b>3,47,72,235</b>

<b>6) Short Term Borrowings</b>	<b>As at 31<sup>st</sup> Mar 19 (₹)</b>	<b>As at 31<sup>st</sup> Mar 18 (₹)</b>
<b>Secured</b>		
Overdraft with IDBI Bank	-----	71,824
	<b>-----</b>	<b>71,824</b>

Note: Overdraft facilities availed from IDBI Bank with a limit of Rs. 5 Crores is secured against first charge on current assets of the company for 1 year with a revolving facility to be renewed every year at Yearly interest rate of MCLR (Y) + 270 bps p.a. (Present rate 11.35% p.a.)

<b>7) Short Term Provisions</b>	<b>As at 31<sup>st</sup> Mar 19 (₹)</b>	<b>As at 31<sup>st</sup> Mar 18 (₹)</b>
(a) For employee benefits	2,92,80,481	3,28,51,382
	<b>2,92,80,481</b>	<b>3,28,51,382</b>

## 8) Property, Plant and Equipment

Description	Gross Block				Depreciation				Net Block	
	As at 01/04/18	Additions	Deletion/ Adjustment	As at 31/03/19	As at 01/04/18	Additions	Deletion/ Adjustment	As at 31/03/19	As at 31/03/19	As at 01/04/18
<b>i) Tangible Fixed Assets</b>										
<b>a) Information Technology Division</b>										
Computer & Accessories	1,45,92,319	99,516	13,83,878	1,33,07,957	1,38,77,738	4,15,787	13,48,977	1,29,44,548	3,63,409	7,14,581
Office Equipment	33,20,135	2,74,994	59,000	35,36,129	29,79,512	4,25,345	53,504	33,51,353	1,84,776	3,40,623
Power Equipments	2,66,615	----	----	2,66,615	2,66,607	----	----	2,66,607	8	8
Furniture & Fixtures	2,85,440	1,04,367	----	3,89,807	2,67,358	1,08,064	----	3,75,422	14,385	18,082
Motor Car	20,02,698	----	----	20,02,698	14,98,592	2,50,337	----	17,48,929	2,53,769	5,04,106
Electrical Installation	----	----	----	----	----	----	----	----	----	----
<b>b) National Contact Centre</b>										
Office Equipment	21,92,922	----	----	21,92,922	13,61,655	2,32,802	----	15,94,457	5,98,465	8,31,267
Computer & Accessories	2,44,05,487	----	----	2,44,05,487	1,03,59,145	42,85,629	----	1,46,44,774	97,60,713	1,40,46,342
Electrical Installation	5,01,017	----	----	5,01,017	3,02,760	55,907	----	3,58,667	1,42,350	1,98,257
Furniture & Fixtures	4,34,517	----	----	4,34,517	4,24,342	7,280	----	4,31,622	2,895	10,175
<b>Total (i)</b>	<b>4,80,01,150</b>	<b>4,78,877</b>	<b>14,42,878</b>	<b>4,70,37,149</b>	<b>3,13,37,709</b>	<b>57,81,151</b>	<b>14,02,481</b>	<b>3,57,16,379</b>	<b>1,13,20,770</b>	<b>1,66,63,441</b>
<i>Previous year</i>	<i>4,84,92,186</i>	<i>20,24,384</i>	<i>25,15,420</i>	<i>4,80,01,150</i>	<i>2,80,78,637</i>	<i>57,74,492</i>	<i>25,15,420</i>	<i>3,13,37,709</i>	<i>1,66,63,441</i>	<i>2,04,13,549</i>
<b>ii) Intangible Fixed Assets</b>										
<b>a) Information Technology Division</b>										
Copy Rights	24,500	----	----	24,500	24,500	----	----	24,500	----	----
Software Licenses	60,87,379	----	----	60,87,379	54,54,811	1,51,890	----	56,06,701	4,80,678	6,32,568
Software-Inhouse Developed	2,36,07,130	----	----	2,36,07,130	2,36,07,130	----	----	2,36,07,130	----	----
<b>b) National Contact Centre</b>										
Software Licenses	1,66,88,400	27,81,000	----	1,94,69,400	1,00,21,720	22,84,362	----	1,23,06,082	71,63,318	66,66,680
<b>Total (ii)</b>	<b>4,64,07,409</b>	<b>27,81,000</b>	<b>----</b>	<b>4,91,88,409</b>	<b>3,91,08,161</b>	<b>24,36,252</b>	<b>----</b>	<b>4,15,44,413</b>	<b>76,43,996</b>	<b>72,99,248</b>
<i>Previous year</i>	<i>4,54,16,717</i>	<i>9,90,692</i>	<i>----</i>	<i>4,64,07,409</i>	<i>3,62,32,038</i>	<i>28,76,123</i>	<i>----</i>	<i>3,91,08,161</i>	<i>72,99,248</i>	<i>91,84,679</i>
<b>iii) Capital Work in Progress</b>										
Intangible assets-Copy rights	27,400	----	----	27,400	----	----	----	----	27,400	27,400
Intangible assets-Software licenses	27,00,000	37,10,000	27,81,000	36,29,000	----	----	----	----	36,29,000	27,00,000
<b>Total (iii)</b>	<b>27,27,400</b>	<b>37,10,000</b>	<b>27,81,000</b>	<b>36,56,400</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>36,56,400</b>	<b>27,27,400</b>
<i>Previous year</i>	<i>27,30,362</i>	<i>24,000</i>	<i>26,962</i>	<i>27,27,400</i>	<i>----</i>	<i>----</i>	<i>----</i>	<i>----</i>	<i>27,27,400</i>	<i>----</i>
<b>Grand Total (i+ii+iii)</b>	<b>9,71,35,959</b>	<b>69,69,877</b>	<b>42,23,878</b>	<b>9,98,81,958</b>	<b>7,04,45,870</b>	<b>82,17,403</b>	<b>14,02,481</b>	<b>7,72,60,792</b>	<b>2,26,21,166</b>	<b>2,66,90,089</b>
<i>Previous year</i>	<i>9,66,39,265</i>	<i>30,39,076</i>	<i>25,42,382</i>	<i>9,71,08,559</i>	<i>6,43,10,675</i>	<i>86,50,615</i>	<i>25,15,420</i>	<i>7,04,45,870</i>	<i>2,66,90,089</i>	<i>2,95,98,228</i>

9) Deferred Tax	As at 31 <sup>st</sup> Mar 19 (₹)	As at 31 <sup>st</sup> Mar 18 (₹)
Deferred Tax Asset		
a) Provision of Gratuity	-----	19,75,714
b) Provision of Leave Encashment	-----	21,407
c) Provision for Doubtful Debt	5,73,577	4,51,349
d) Depreciation	7,51,069	-----
Less: Deferred Tax Liability		
a) Provision of Gratuity	20,73,168	-----
b) Provision of Leave Encashment	8,25,856	-----
c) Depreciation	-----	1,33,147
<b>Net Deferred Tax (Liability) / Asset</b>	<b>(15,74,378)</b>	<b>23,15,323</b>
10) Long Term Loans & Advances (Unsecured)	As at 31 <sup>st</sup> Mar 19 (₹)	As at 31 <sup>st</sup> Mar 18 (₹)
Considered good		
a) Deposits	49,47,002	51,37,269
b) Prepaid	19,87,050	6,44,240
c) Tax Refund Due	6,47,48,644	4,16,86,847
	<b>7,16,82,696</b>	<b>4,74,68,356</b>
11) Other Non-current assets	As at 31 <sup>st</sup> Mar 19 (₹)	As at 31 <sup>st</sup> Mar 18 (₹)
a) Bank Deposits Accounts, Maturing after 12 months	5,02,37,914	35,318
b) Bank Deposit lien marked against Bank guarantee	1,32,50,000	1,14,99,767
c) Balance with Government Authorities	52,35,133	1,21,781
d) Accrued Interest on long Term Fixed Deposit	7,53,942	600,686
	<b>6,94,76,989</b>	<b>1,22,57,552</b>
12) Trade Receivables (Unsecured)	As at 31 <sup>st</sup> Mar 19 (₹)	As at 31 <sup>st</sup> Mar 18 (₹)
a) Over six months from the due date		
Considered good	27,84,800	26,97,929
Considered doubtful	32,73,800	13,04,100
Less: Provision for doubtful receivables	(32,73,800)	(13,04,100)
b) Others		
Considered Good	7,40,90,604	17,79,02,467
	<b>7,68,75,404</b>	<b>18,06,00,396</b>
13) Cash & Bank Balances	As at 31 <sup>st</sup> Mar 19 (₹)	As at 31 <sup>st</sup> Mar 18 (₹)
a) Cash and Cash Equivalent		
i. Cash in Hand	223	13,070
ii. In Current Account	88,31,245	2,29,99,515
iii. In Overdraft Account Debit Balance	1,036	-----
iv. Bank deposits a/c, maturing within 3 months	5,55,90,974	10,05,40,317
v. Bank deposits a/c, maturing more than 3 months upto 12 months	15,27,32,662	12,10,80,352
	<b>21,71,56,140</b>	<b>24,46,33,254</b>
b) Other bank Balances		
i. Bank balances held in lien with Bank guarantee	9,52,12,731	87,38,522
	<b>31,23,68,871</b>	<b>25,33,71,776</b>
14) Other Current Assets	As at 31 <sup>st</sup> Mar 19 (₹)	As at 31 <sup>st</sup> Mar 18 (₹)
Considered good		
a) Prepaid Expenses		
i. Medclaim Insurance	14,14,150	10,42,395
ii. Others	18,44,509	10,27,514
b) Deposits	18,13,847	-----
c) Accrued Income	6,26,18,740	2,38,48,131
d) Accrued Interest on Short Term Fixed Deposits	38,25,592	18,08,545
e) Advance to Suppliers	674	-----
f) Other Loans and Advances	56,49,545	26,91,725
(Includes employee advance, Recoverables from customers, receivables from LIC, etc.)	<b>7,71,67,057</b>	<b>3,04,18,310</b>



15) Revenue from Operations	Year ended 31 <sup>st</sup> Mar 19 (₹)	Year ended 31 <sup>st</sup> Mar 18 (₹)
a) Sale of Products	5,55,06,105	1,63,20,000
b) Sale of Services		
i. Information Technology Services	54,90,20,857	53,58,26,209
ii. National Contact Centre Services	27,69,46,185	23,23,48,585
	<b>88,14,73,147</b>	<b>78,44,94,794</b>

16) Other income	Year ended 31 <sup>st</sup> Mar 19 (₹)	Year ended 31 <sup>st</sup> Mar 18 (₹)
a) Interest Income		
i. On Income Tax Refund	1,51,45,788	22,21,545
ii. On Fixed Deposits	1,54,73,190	1,32,08,159
b) Profit / (Loss) on sale of Fixed Assets (Net)	(15,347)	47,000
c) Provisions Written Back / (written off) - Net	4,46,399	22,19,630
d) Miscellaneous income	11,588	10,02,305
(includes liquidity damage claim, tender fees collections, prize money etc.)	<b>3,10,61,618</b>	<b>1,86,98,639</b>

17) Employee Benefits Expenses	Year ended 31 <sup>st</sup> Mar 19 (₹)	Year ended 31 <sup>st</sup> Mar 18 (₹)
a) Salaries and Allowances	60,53,48,222	61,21,65,407
b) Contribution to Provident and Other Funds	3,52,48,314	3,59,31,619
d) Staff Welfare Expenses	5,27,11,236	4,18,41,865
	<b>69,33,07,772</b>	<b>68,99,38,891</b>

18) Other Operating Expenses	Year ended 31 <sup>st</sup> Mar 19 (₹)	Year ended 31 <sup>st</sup> Mar 18 (₹)
a) Auditor's Remuneration		
i. Statutory Audit Fees	1,75,000	1,50,000
ii. Certification Fees	73,500	----
iii. Other Fees and Out of Pocket Expenses	3,02,521	20,000
b) Bank Charges	4,71,479	94,825
c) Books & Periodicals	14,887	1,935
d) Communication Charges	45,62,330	49,04,567
e) Corporate Social Responsibility Expenses	----	22,50,000
f) Director's Siting Fees & Other Expenses	3,33,016	4,73,797
g) Donation	5,00,000	40,000
h) Electricity Charges	59,18,300	66,02,560
i) Facility Management Fees	1,00,11,112	86,38,746
j) Insurance Charges	4,16,373	4,10,814
k) Legal & Professional Fees	28,41,716	16,41,739
l) Premises Rent (Refer Note 26)	92,40,000	92,40,000
m) Printing & Stationery	20,97,155	28,90,084
n) Promotional Expenses	6,39,593	5,20,542
o) Provision for Doubtful Debts	19,69,700	1304,100
p) Debtors Written off	----	6,36,000
q) Rates & Taxes	34,26,195	5,94,834
r) Repairs and Maintenance	86,53,504	81,56,302
s) Staff Recruitment Expenses	25,82,762	20,24,938
t) Subscription Fees	21,46,052	1,03,295
u) Training, Seminar and Conference Expenses	6,40,345	10,82,058
v) Travelling & Conveyance	41,81,364	60,94,091
w) Miscellaneous Expenses	1,62,487	2,14,305
	<b>6,13,59,391</b>	<b>5,80,89,532</b>

19) Earnings Per Share	Year ended 31 <sup>st</sup> Mar 19 (₹)	Year ended 31 <sup>st</sup> Mar 18 (₹)
a) Profit after tax (in ₹)	8,83,61,823	3,01,02,699
b) Weighted No. of Equity Shares	1,31,28,207	1,31,28,207
c) Nominal Value of Equity Dhare (in ₹)	10	10
d) Basic Earnings Per Share (in ₹)	6.73	2.29

Since there is no outstanding diluted shares during the year, there was no dilution to basic earnings per share.

## 20) Segment Reporting

I) Year ended 31<sup>st</sup> March

Primary Segment: Business Segments	Information Technology	Contact Centre	Total 2018-19	Information Technology	Contact Centre	Total 2017-18
<b>a) Segment Revenue</b>	60,45,26,962	27,69,46,185	<b>88,14,73,147</b>	55,21,46,209	23,23,48,585	<b>78,44,94,794</b>
<b>b) Segment Results</b>	4,27,31,453	10,00,66,104	<b>14,27,97,557</b>	6,70,097	7,12,19,048	<b>7,18,89,145</b>
Less: Unallocable Expenses			4,78,04,051			4,42,91,675
Add: Other income			3,10,61,618			1,86,98,639
<b>Profit Before Tax</b>			<b>12,60,55,124</b>			<b>4,62,96,109</b>
Less: Tax Expense			3,76,93,301			1,61,93,410
<b>Profit After Tax</b>			<b>8,83,61,823</b>			<b>3,01,02,699</b>
<b>c) Segment Assets</b>	11,25,88,327	6,50,23,930	1,77,612,257	1,85,394,348	53,049,292	2,38,443,640
Add: Unallocable Corporate Assets			45,25,79,924			3,14,678,163
			<b>63,01,92,181</b>			<b>55,31,21,803</b>
<b>d) Segment Liabilities</b>	3,56,99,768	90,85,748	4,47,85,516	3,09,33,171	1,24,41,278	4,33,74,449
Add: Unallocable Corporate Liabilities			2,20,45,161			3,47,47,673
			<b>6,68,30,677</b>			<b>7,81,22,122</b>
<b>e) Other Information</b>						
i) Capital Expenditure	4,78,877	27,81,000	<b>32,59,877</b>	24,33,087	5,81,989	<b>30,15,076</b>
ii) Depreciation	13,51,423	68,65,980	<b>82,17,403</b>	20,50,324	66,00,291	<b>86,50,615</b>

Note: i) The Company has identified business segment as the primary segment. Business segments have been identified in line with AS 17 taking into account the product and services offered to target customers globally, different risk and returns, the organisational and the internal reporting systems. The Company operates only in domestic segment, as the export service is negligible. So there is no reportable geographical segment.

ii) Revenue and expenses directly attributable to segments are reported under each reportable segment. Common expenses which are not directly identifiable to each reporting segment have been allocated to each reporting segment on the basis of associated revenues of the segment. All other expenses which are not attributable or allocable to segments have been disclosed under unallocable expenses.

## 21) Foreign Currency Transactions

Year ended 31<sup>st</sup> Mar 19 (₹)

Year ended 31<sup>st</sup> Mar 18 (₹)

i) Earnings in Foreign Currency		
a) Earnings from Information Technology Services	1,50,59,745	1,21,68,318
b) Reimbursement of Costs	5,16,983	-----
	<b>1,55,76,728</b>	<b>1,21,68,318</b>
ii) Expenditure in Foreign Currency		
a) Foreign Travelling Expenses	76,308	10,41,207
b) Subscription Fees for Software Licenses	14,36,047	-----
	<b>15,12,355</b>	<b>10,41,207</b>

## 22) Derivative Instruments

The company has two forward exchange contracts to buy, outstanding as at March 31, 2019 is US Dollar 3,360 with corresponding cross currency value of ₹ 2.41 lakhs (previous year NIL).

## 23) Corporate Social Responsibility

As the company does not have net profit exceeding ₹ 5 crores in the immediately preceding financial year, the requirement for corporate social responsibility does not apply as per the amended provision of sub-section (1) of Section 135 of the Companies Act, 2013.



## 24) Contingent Liabilities

- a) The Company has provided bank guarantee of ₹ 248.52 lakh to customers for its IT Projects. As at 31<sup>st</sup> March 2019, the contingent liabilities under these guarantees amounted to ₹ 248.52 lakh (previous year ₹ 112 lakh).
- b) The company has contested and has appealed at higher bench against an order passed by the Jaipur High Court for a claim to pay compensation amounting to ₹ 4.28 lakh (previous year ₹ 4.28 lakhs) to one of the ex-employee of the erstwhile OBST vertical and expects favourable outcome. The company has made provision on estimated basis including the possible statutory dues. However the outcome to pay any further compensation to other ex-employees of the said OBST vertical cannot be ascertained and hence no separate provision, except the retiring benefits, has been made.
- c) Claims for taxes on income:  
Where the Company is in appeal:
- Income tax demands of ₹ 5,12,133 (previous year ₹ 5,12,133) have been raised in respect of assessment completed with respect to AY 2013-14 and AY 2014-15, arising from certain disallowances by the Income tax authorities. The Company has appealed against the Orders and based on merit, expects favourable outcome. Hence no provision against such demand is considered necessary.
  - Service tax authority put a demand of ₹ 83,64,562 (previous year Nil) including interest and penalty by disallowing certain CENVAT credit availed by the Company during the Service tax audit in respect of period from FY 2012-13 to FY 2017-18. The company has appealed against the Orders and based on merit, expects favourable outcome. Hence no provision against such demand is considered necessary. However the company had paid ₹ 51.13 lakhs under protest, which is reflected under other non-current assets.
  - Demand of VAT made by Sales tax authority amounting to ₹ 25,77,113 (previous year ₹ 25,77,113) for the period from FY 2010-11 to FY 2015-16 has been contested and appeal to Deputy Commissioner of Sales tax. Based on merit, the Company expects a favourable outcome on the same. Hence no provision against such demand is considered necessary.

## 25) Capital Commitments

Estimated amount of partial contracts remaining to be executed on software purchase and not provided for (net of advances) as on 31st March 2019 is ₹ 9.00 lakhs (previous year ₹ 44.97 lakhs)

## 26) Leases

The Company takes on lease office space under operating leases. The lease rentals towards operating lease agreements recognised in the Statement of Profit and Loss for the year is ₹ 92.40 lakhs (previous year ₹ 92.40 lakhs).

The future minimum lease payments and payment profile of the non-cancellable operating leases are as follows:

Particulars	(in Rupees)	
	Year ended 31 <sup>st</sup> Mar 19 (₹)	Year ended 31 <sup>st</sup> Mar 18 (₹)
a) Not later than one year	97,79,000	92,40,000
b) Later than one year and not later than five years	1,43,99,000	2,41,78,000
c) Later than five years	-----	-----
	<b>2,41,78,000</b>	<b>3,34,18,000</b>

## 27) Employee Benefit Plans

### a) Employees Provident Fund

Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. In case of Company's employees enrolled with the Employees' Provident Fund Organisation (EPFO) having Universal Account Number (UAN), the Government of India had paid the full employer's contribution to both EPF and EPS in respect of new employees under the guidelines of Pradhan Mantri Rojgar Yojana (PMRPY). For the remaining employees and the entire contribution in respect of all employees is contributed to the Government administered employee Provident and Pension Fund. The interest rate payable to the beneficiaries every year is being notified by the Government.

During the year, the Company has recognized expenses towards contributions to provident fund for ₹ 302.92 lakhs, (previous year ₹ 308.53 lakhs). During the year, the Company has availed the benefit of PMRPY for ₹ 17.63 lakhs (previous year ₹ 2.78 lakhs).

### b) Gratuity Plan

The Company makes annual contribution to the Employee's Group Gratuity Assurance Scheme, administered by the Life Insurance

Corporation of India ("LIC"), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment based on completed years of service or part thereof in excess of six months. Vesting occurs on completion of five years of continuous service.

The following table sets out the status of the gratuity plan for:

<b>Particulars</b>	<b>As at 31<sup>st</sup> Mar 19 (₹)</b>	<b>As at 31<sup>st</sup> Mar 18 (₹)</b>
(in Rupees)		
<b>i) Change in defined Benefit Obligation</b>		
<b>Opening defined Benefit Obligation</b>	<b>5,83,34,916</b>	<b>4,29,61,730</b>
Service Costs		
Current Service	1,10,46,446	82,20,613
Past Service	-----	28,66,847
Actuarial Losses / (Gain)		
Due to Change in Financial Assumption	(70,87,386)	1,34,925
Due to Experience	(38,88,891)	40,78,611
Interest Costs	45,90,958	33,12,349
Benefits Paid	(45,73,129)	(32,40,159)
<b>Closing Defined Benefit Obligation</b>	<b>5,84,22,914</b>	<b>5,83,34,916</b>
<b>ii) Change in the Fair Value of Assets</b>		
<b>Opening fair value of plan assets</b>	<b>5,26,26,410</b>	<b>4,18,60,015</b>
Expected Return on Plan Assets	41,41,698	32,27,407
Actuarial (Losses) / Gain	(1,94,717)	(2,97,206)
Contribution by Employer	78,33,540	1,10,76,353
Benefits Paid	(45,73,129)	(32,40,159)
<b>Closing Fair Value of Plan Assets</b>	<b>5,98,33,802</b>	<b>5,26,26,410</b>
<b>iii) Net Liability / (Asset) Recognised in the Balance Sheet (i - ii)</b>	<b>(14,10,888)</b>	<b>57,08,506</b>
<b>iv) Expenses for the Year</b>		
Service Costs		
Current Service	1,10,46,446	82,20,613
Past Service	-----	28,66,847
Interest on Defined Benefit Obligation	45,90,958	33,12,349
Expected Return on Plan Assets	(41,41,698)	(32,27,407)
Actuarial Losses / (Gain)	(1,07,81,560)	45,10,742
<b>Total Included in Employment Expense</b>	<b>7,14,146</b>	<b>1,56,83,144</b>
<b>v) Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	41,41,698	32,27,407
Actuarial (Losses) / Gain	(1,94,717)	(2,97,206)
	<b>39,46,981</b>	<b>29,30,201</b>
<b>vi) Category of Assets - Insurer Managed Fund</b>	<b>5,98,33,802</b>	<b>5,26,26,410</b>
Since the investments are held in the form of deposit with the LIC, these are not volatile, the market value of assets is the cost value of assets and has been accordingly considered for the above disclosures.		
<b>vii) Financial Assumptions as at the Valuation Date</b>		
Discount Rate	7.78%	7.87%
Rate of Increase in Compensation Levels of Covered Employees*	7.00%	8.00%
Attrition Rate	2% - 3%	2% - 3%
Expected Rate of Return on Plan Assets**	7.78%	7.87%
*The estimates of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotions and other relevant factors. **Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC.		
<b>viii) Other Details</b>		
Number of Active Members	1,294	1,328
Monthly Salary for Active Members	2,01,39,306	2,03,14,090
Projected Benefit Obligation (PBO)	5,84,22,914	5,83,34,916
Expected Contribution for next twelve months to Gratuity Funds	80,39,041	1,67,54,952

## 28) Related Party Disclosure

### a) Names of Related Parties

#### i) Ultimate Holding Company

Life Insurance Corporation of India (w.e.f. January 21, 2019)

#### ii) Holding Company (Control Exists)

IDBI Bank Limited

#### iii) Group Companies

IDBI Asset Management Limited

IDBI Capital Markets & Securities Limited

IDBI Federal Life Insurance Company Limited

IDBI Trusteeship Services Limited

IDBI MF Trustee Company Limited

#### iv) Key Management Personnel (KMP)

K R Murali Mohan - Managing Director and CEO - on deputation from IDBI Bank w.e.f. November 21, 2017

M. A. Khan - Managing Director and CEO - on deputation from IDBI Bank upto November 20, 2017

Dinyar Sutaria - Chief Financial Officer upto December 31, 2018

Samik Bandyopadhyay - Chief Financial Officer w.e.f. January 1, 2019

Ritesh Kumar Jain - Company Secretary

### b) Details of Transactions with Relationship wise related Parties

Nature of Transactions	Name of the Related Party and Relationship	(in Rupees)	
		Year ended 31 <sup>st</sup> Mar 19	Year ended 31 <sup>st</sup> Mar 18
Earnings from Information Technology Services	<b>Holding Company</b> IDBI Bank Ltd.	46,09,31,094	45,68,29,968
	<b>Group Companies</b>		
	IDBI Asset Management Ltd.	84,24,000	75,90,000
	IDBI Capital Markets & Securities Ltd.	1,90,00,000	1,75,00,000
Earnings from National Contact Centre Services	<b>Holding Company</b> IDBI Bank Ltd.	13,43,65,000	10,31,05,000
	<b>Group Companies</b>		
	IDBI Capital Markets & Securities Ltd.	80,44,685	63,93,585
Earnings from Product Sale	<b>Holding Company</b> IDBI Bank Ltd.	47,70,100	----
	<b>Group Companies</b>		
	IDBI Asset Management Ltd.	3,56,250	----
	IDBI Federal Life Insurance Company Ltd.	17,00,000	18,75,000
Interest Income	<b>Holding Company</b> IDBI Bank Ltd.	1,54,73,189	1,32,08,159
Payments for Employee Costs	<b>Ultimate Holding Company</b>		
	Life Insurance Corporation of India	1,01,42,185	----
	<b>Holding Company</b> IDBI Bank Ltd.	26,61,750	2,73,500
	<b>Key Management Personnel (KMP)</b>		
	K R Murali Mohan - Managing Director & CEO	37,49,008	13,65,753
	M. A. Khan - Managing Director & CEO	----	22,12,035
	Dinyar Sutaria - Chief Financial Officer	29,99,572	29,93,115
	Samik Bandyopadhyay - Chief Financial Officer	6,46,014	----
	Ritesh Kumar Jain - Company Secretary	19,93,471	16,57,540
	Reimbursement of Expenses from	<b>Holding Company</b> IDBI Bank Ltd.	76,34,014
<b>Group Companies</b>			
IDBI Asset Management Ltd.		45,000	40,000
IDBI Capital Markets & Securities Ltd.		1,34,100	----
Finance Costs	<b>Holding Company</b> IDBI Bank Ltd.	3,068	98,221
Other Expenses	<b>Holding Company</b> IDBI Bank Ltd.	4,70,830	2,73,359

### c) Balances Remain with Relationship wise Related Parties

Outstanding Balances	Name of the Related Party and Relationship	As at 31 <sup>st</sup> Mar 19 (₹)	As at 31 <sup>st</sup> Mar 18 (₹)
Trade Receivables	<b>Holding Company</b> IDBI Bank Ltd.	98,17,277	14,95,26,680
	<b>Group Companies</b>		
	IDBI Asset Management Ltd.	-----	7,46,352
	IDBI Capital Markets & Securities Ltd.	7,88,146	-----
	IDBI Federal Life Insurance Company Ltd.	1,21,20,429	24,28,365
Cash & Cash Equivalents	<b>Holding Company</b> IDBI Bank Ltd.	37,58,46,605	26,48,11,362
Trade Payables	<b>Ultimate Holding Company</b>		
	Life Insurance Corporation of India	23,08,645	-----
	<b>Holding Company</b>		
	IDBI Bank Ltd.	3,86,763	-----
Other Current Assets	<b>Ultimate Holding Company</b>		
	Life Insurance Corporation of India	8,11,578	-----
	<b>Holding Company</b>		
	IDBI Bank Ltd.	4,95,62,025	1,45,22,715
	<b>Group Companies</b>		
	IDBI Asset Management Ltd.	1,18,750	-----
	IDBI Capital Markets & Securities Ltd.	6,67,920	6,08,630
	IDBI Federal Life Insurance Company Ltd.	9,52,000	9,12,000
Unearned Revenue	<b>Holding Company</b> IDBI Bank Ltd.	-----	5,000
	<b>Group Companies</b>		
	IDBI Federal Life Insurance Company Ltd.	1,22,462	-----

### 29) Disclosure pursuant to amount due to Micro, Small and Medium Enterprise

i) Amount Due to Vendors	7,85,547	5,84,906
ii) Principal amount paid (includes unpaid beyond the appointed date)	-----	-----
iii) Interest Due and Paid / Payable for the year	-----	-----
iv) Interest accrued and remaining unpaid	-----	-----

Due to Micro, Small and Medium enterprise have been determined to the extent such parties have been identified on the basis of information collected by the management

### 30) Material events after Balance Sheet Date

"There is no significant event after reporting date which requires adjustments or disclosure to the financial statements. Balances of receivables, payables, loans and advances are taken as per books.

The Board of Directors, at its meeting held on May 8, 2019 has proposed a dividend of ₹ 1.50 per equity share (15%). This would result in cashflow of ₹ 237.40 lakh including Corporate dividend distribution tax of ₹ 40.48 lakh"

31) Previous years / period figures have been regrouped / reclassified wherever necessary to correspond with the current years / period classification / disclosure.

### 32) Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 8, 2019.

As per our report attached.  
For Patel & Deodhar  
Chartered Accountants  
Firm registration No.: 107644W

For and on behalf of the Board of Directors

Sd/-  
Taher A. Pepermintwala  
Partner  
Membership No.: 135507

Sd/-  
K R Murali Mohan  
Managing Director & CEO

Sd/-  
Rakesh Sharma  
Chairman

Place: Mumbai  
Date: May 8, 2019

Sd/-  
Ritesh Kumar Jain  
Company Secretary

Sd/-  
Samik Bandyopadhyay  
Chief Financial Officer



## Banking Frontier's Technoviti Award 2019



IDBI Intech's **i-RTMS** product was Awarded "Banking Frontier's Technoviti Award 2019" at a grand function organized at "7<sup>th</sup> International Trade Fair and Conference on Banking Technology Equipment and Services IBEX 2019" at MMRDA Grounds, BKC, Mumbai on 24<sup>th</sup> January 2019.



# Hive off your IT enabled services to us!

Intech is a professionally managed company, with over 650+ qualified and experienced experts from Banking and Technology domain. We explore and understand the emerging technologies and identify changing business requirements. We also assimilate new technologies to develop Innovative Solutions and Services.

## PRODUCTS & SERVICES

**i-RTMS**  
(Real Time Monitoring System)

**Abhay**  
(Card Limit Controller App)

**i-BUS**  
(Mini Enterprise Service Bus)

**i-VAULT**  
(Aadhaar Data Vault)

**i-IRAC**  
(NPA Management)

**i-AML**  
(Anti Money Laundering Solution)

**i-AMS**  
(Audit Management System)

**i@Connect<sup>®</sup>**  
(Middleware for RTGS / NEFT / SFMS / SWIFT)

**i-OMS**  
(Off-site Monitoring System)

**i-CCM**  
(Currency Chest Management)

**i-LMS**  
(Locker Management System)

**Board Meeting  
Automation Solution**

**IT Services**

**Data Center  
Setup & Management**

**Contact Center Services**

**Training & Certification**

**Software Testing**

### Registered Office:

IDBI Intech Ltd.  
IDBI Bidg., Plot No. 39-41, Sec 11,  
CBD Belapur, Navi Mumbai 400614,  
Maharashtra, India.

### Development Centres:

#### Chennai

IDBI Intech Ltd. Khivraj Complex, Nandanam, Chennai, Tamilnadu, India.

#### New Delhi

IDBI Intech Ltd. 51/3, Desh Bandhu Gupta Road, Karol Bagh, Opp. Khalsa College, New Delhi, India.

#### Hyderabad

IDBI Intech Ltd. 2<sup>nd</sup> floor, IIT junction, Gachibowli, Hyderabad, Telengana, India.

#### Pune

IDBI Intech Ltd. 1548/B, Saiprabha, Sadashiv Peth, Pune, Maharashtra, India.

**For enquiries on our offerings, Please get  
in touch with our Business Development Team:**

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