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Annual Report

2016 - 17

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Index

Message from Managing Director & CEO.....	Page No. 02
Notice.....	Page No. 03
Directors' Report.....	Page No. 07
Independent Auditor's Report.....	Page No. 21
Comments of the Comptroller and Auditor General of India.....	Page No. 27
Financial Statements.....	Page No. 28



Shri Kishor Kharat

Chairman



Shri K. P. Nair

Director



Shri B. Sambamurthy

Independent Director



Dr. N. L. Sarda

Independent Director



Prof. Bastiram H. Jajoo

Independent Director



Shri Mohammad Afzal Khan

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

M/s. Lakhani & Lakhani
Chartered Accountants
B-2, 3rd Floor, Ashar IT Park, Road No. 16/Z, Wagle Estate,
Ambika Nagar, Thane (W) 400604.

Banker

IDBI Bank Ltd. Mumbai

Dear Shareholders,

It gives me great pleasure to present before you the 17th Annual Report of your Company for the Financial Year ended March 31, 2017. It was a year where our businesses generated strong cash flows during the recent up cycle, enhancing the strength of our balance sheet. We ended FY 2016-17 with tremendous performance, your company has achieved a remarkable turnover of ₹81.21 crore and earned a profit after tax of ₹ 13.95 crore.

Though we are a seventeen-years old Company, we are mature enough to foresee opportunities, drive growth and outperform the Industry at a time of global uncertainties. Does that make us complacent? Not the least. It vindicates the strength of our vision, leadership and stability in execution, despite challenges. We are happy that we are constantly performing well in the Banking, Financial Services and Insurance (BFSI) Sector and more and more clients count upon us as the preferred brand, to provide them innovative and quality services.

Your company has been the backbone of its parent organization i.e. IDBI Bank Ltd and has been meeting out all IT requirements of the Bank; assisting the Bank in its hardware and software procurements, managing Data Centre and DR sites for the Bank and also providing IT enabled services like Customer Care Centre. Besides developing various software solutions on an ongoing basis, using advanced state-of-the-art technologies, Intech has provided innovative Banking products and solutions like Facebook Banking (i-Engage), Mini Enterprise Service Bus (i-BUS) and Abhay App, a Card Control solution. Keeping Customer orientation and convenience in mind, we aim at providing cost effective IT solutions which provides operational convenience, reduces transaction cost and turnaround time and make the Banking Services self-driven by Customer. It has been the quest of Intech to adopt emerging technologies and constantly update its knowledge and skills by re-training the resources / acquiring skilled resources.

While most focus is kept on serving the internal client, Intech also markets its Software product and services to the external market, particularly the BFSI sector. Its flagship products like Anti Money Laundering Solution (i-AML), Income Recognition & Asset Classification (i-IRAC), Payment Solution - i@Connet[®] have earned a good name in the market.

Your company also provides IT Services by way of data center services, manpower services & call centre services to group companies. Further, your company offers a range of products & services to both domestic & international clients. Due attention is also paid to security aspects, business continuity and regulatory compliances.

Our team has made Intech, what we are today, through dedication and passion. I am confident that we will together continue to elevate the Company to new heights of global recognition and deliver 'greater than more' to all stakeholders in consonance with the spirit of our Quality services and brand positioning.

I want to thank our Board of Directors, our shareholders and my colleagues who have played a significant role in Intech's achievements. Because of them, we are able to deliver a compelling business model that offers benefits in savings, accessibility and outcomes across the Information Technology in the BFSI sector. I acknowledge with sincere thanks, the valuable guidance and continuing contribution extended by IDBI Bank.

Yours Sincerely,
Sd/-
Mohammad Afzal Khan
Managing Director & CEO

IDBI Intech Limited

CIN No. U72200MH2000GOI124665

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

NOTICE is hereby given that the Seventeenth Annual General Meeting of IDBI Intech Limited will be held on Monday, September 18 at 4:00 PM at the Registered Office of the Company at IDBI Building, Plot No. 39-41, Sector 11, CBD Belapur, Navi Mumbai 400614 to transact the following business-

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet and Statement of Profit and Loss A/c of the Company along with the cash flow statement together with the schedules and notes for the year ended March 31, 2017 and reports of Directors' and Auditor's thereon.
- 2) To confirm the payment of Interim Dividend for the year ended 31st March 2017.

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

"RESOLVED THAT an Interim Dividend for the year ended 31st March 2017 of ₹3.5 per equity share amounting to ₹4,59,48,724.50 paid to the Members whose names appeared on the Register of Members on March 16, 2017 be and is hereby approved and confirmed."

- 3) To appoint Auditors and fix their remuneration and, in that behalf, to consider and, if thought fit, to pass the following resolution as Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 139 & other applicable provisions of the Companies Act, 2013, M/s. Patel & Deodhar, Chartered Accountants, be and are hereby appointed as Statutory Auditors as per the directions of the Comptroller and Auditor General of India for the Financial Year 2017-2018 and Auditors shall hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

FURTHER RESOLVED THAT an amount of ₹1,50,000 (Rupees One Lakh Fifty Thousand) plus applicable taxes plus out of pocket expenses be and is hereby fixed as audit fees payable to M/s. Patel & Deodhar, Chartered Accountants, Statutory Auditors of the Company for the Financial Year 2017-18 as recommended by the Board."

SPECIAL BUSINESS

- 4) To appoint Shri Krishna Prasad Nair (DIN: 02611496) as a Director liable to retire by rotation

To consider and if thought fit to pass, with or without modification/s, the following resolution as an "Ordinary Resolution":

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, and subject to the approval of shareholders in general meeting, Shri K. P. Nair (DIN:02611496) who was appointed as an Additional Director at the meeting of the Board of Directors held on December 5, 2016 and pursuant to Section 161 of Companies Act, 2013 and Article 123 of the Articles of Association of the Company holds office only upto the date of this Annual General Meeting of the Company and as per the letter of IDBI Bank and recommendation of the Board at its meeting held on August 22, 2017 for appointing Shri K. P. Nair as director on the Board be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. To appoint Dr. A. S. Ramasastry (DIN: 06916673) as Independent Director for the term of 3 years.

To consider and if thought fit to pass, with or without modification/s, the following resolution as an "Ordinary Resolution":

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 read with Schedule IV and all other applicable provisions (including any modification or re-enactment thereof) if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, and article 123 of Articles of Association of the Company, Dr. A. S. Ramasastry was appointed as an Additional Director (Independent) by Circular Resolution passed by the Board of Directors on August 11, 2017, and who holds office only upto the date of this Annual General Meeting of the Company and the Board of directors at its meeting held on August 22, 2017 recommended to appoint Dr. A. S. Ramasastry as Independent Director on the Board for an initial term of three years be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years from the date of the 17th Annual General Meeting.

Place: Navi Mumbai
Date: August 22, 2017

By order of the Board of Directors,
For IDBI Intech Limited
Sd/-
Ritesh Kumar Jain
Company Secretary

Notes

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY OR THE POWER OF ATTORNEY, IF ANY, UNDER WHICH IT IS SIGNED, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING AS PROVIDED BY ARTICLE 113 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY.**
- 2) Pursuant to Section 102(1) of the Companies Act, 2013 Explanatory Statement in respect of the business mentioned under Item No.3 to 5 is annexed hereto.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed on September 18, 2017.
- 4) The quorum for the Annual General Meeting, as provided in Section 103 of the Companies Act, 2013, is five members (including a duly authorized representative of the IDBI Bank) personally present in the meeting at the commencement of business.
- 5) Register of members shall be available for inspection at the Registered Office of the Company during office hours on all working days between 11 a.m. and 1p.m.
- 6) A route map and prominent land mark for easy location to the venue of AGM is given on the back of the Proxy Form.

Place: Navi Mumbai
Date: August 22, 2017

By order of the Board of Directors,
For IDBI Intech Limited
Sd/-
Ritesh Kumar Jain
Company Secretary

Explanatory Statement

(Pursuant to Section 102(1) of the Companies Act, 2013)

As required by section 102 of the Companies Act, following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3, Item No. 4 & Item No. 5 of the accompanying Notice:

Item No. 3

To appoint Statutory Auditors and fix their remuneration.

Pursuant to Section 139(5) & other applicable sections of Companies Act, 2013, the Auditor's of the Govt. Company are to be appointed or reappointed by the Comptroller and Auditor General of India (CAG) and in terms of Section 142 of the Companies Act, 2013, their remuneration has to be fixed by the Company in AGM.

In view of the above, Comptroller and Auditor General of India (CAG) appointed vide their Letter No: CA.V/COY/CENTRAL GOVT., IDBIIN (1)/526 dated: August 3, 2017, M/s. Patel & Deodhar, the Statutory Auditor of the Company for the F. year 2017-18. The members may approve remuneration payable to Statutory Auditors as per recommendation of Board of Directors and Audit Committee of the Board.

Item No. 4

To appoint Shri Krishna Prasad Nair (DIN: 02611496) as a Director liable to retire by rotation

Shri Krishna Prasad Nair was appointed as an Additional Director of the company on December 5, 2016 pursuant to section 161 of the Companies Act, 2013. Shri Nair holds office of the Director up to the date of this Annual General Meeting. The Board of Directors at its meeting held on August 22, 2017 and as per IDBI Bank letter recommended to appoint Shri K. P. Nair as director on the Board who will be liable to retire by rotation.

Brief Profile:

Shri Krishna Prasad Nair started his career with Indian Overseas Bank as Probationary officer in 1981 and has been with IDBI since 1987. His three decades of banking experience spans across domains like Corporate Finance, Retail Banking, Human Resources and Information Technology and includes assignments as Zonal Head for North and East zones. Before his appointment as Deputy Managing Director, Mr. Nair was Executive Director and led Bank's Retail Banking, Human Resources and IT divisions.

None of the Directors, except Shri Krishna Prasad Nair, is in any way concerned or interested in the Resolution.

Item No. 5

To appoint Dr. A. S. Ramasastry (DIN: 06916673) as Independent Director for the term of 3 years.

Dr. A. S. Ramasastry was appointed as Additional Director (Independent) on the Board by circular resolution passed by the Board of Directors on August 11, 2017. Pursuant to section 161 of the Companies Act, 2013, Dr. A. S. Ramasastry holds office of the Director up to the date of this Annual General Meeting.

Pursuant to the provisions of Sections 149, 152, read with Schedule IV and all other applicable provisions (including any modification or re-enactment thereof) if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, it is recommended by the Board of Directors to appoint Dr. Ramasastry as an independent Director on the Board of IDBI Intech Limited for a period of three years commencing from date of AGM who shall not be subject to retire by rotation.

The Company has received a declaration from Dr. A. S. Ramasastry that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013. In the opinion of the Board, Dr. A. S. Ramasastry fulfils the conditions specified in the Act for appointment as Independent Director.

None of the Director, except Dr. A. S. Ramasastry is in anyway concerned or interested in the Resolution.

Brief Profile:

Dr. A. S. Ramasastry took over as the Director of the IDRBT on October 24, 2014. Since then he has actively led the development and growth of the Institute, especially in the areas of relevance to banking like cyber security, analytics, cloud computing and payment systems. He has been instrumental in introducing the PGDBT, IBAC and IDRBT Staff Papers Series, setting up of CIO and CAO Forums, and in the Institute gaining the status of SIRO. He is the Chairman of IFTAS, the company promoted by IDRBT in 2015 to provide technology services to banking and financial sectors. He is on the board of DSCI and SETS. He is member of the important committees and working groups of Reserve Bank of India, which include Cyber Security Standing Committee and Working Group on FinTechs.

Prior to joining the Institute, Dr. Ramasastry was the Chief General Manager-in-charge of Department of Information Technology at Reserve Bank of India. In the RBI, he has spearheaded many important projects including the implementation of the Next Generation RTGS, adoption of international standards like XBRL and ISO 20022, conceptualizing and guiding of banks on Automated Data, and preparation of IT Vision of RBI for 2011-17. His initiatives of XBRL and ADF have been globally recognized and has received "Award of Excellence" from XBRL International.

Dr. Ramasastry authored two books titled 'Quantitative Methods for Valuation of Assets' and 'Quantitative Methods for Banking and Finance'. The former has been published in Chinese too. He has to his credit several articles on Finance, Banking and IT in eminent journals and newspapers.

He has guided the Bank of Mauritius, Bank of Malaysia and Bank of Uganda on implementation of Data Warehouse, XBRL, etc. and delivered talks on standards and technology for data reporting at the International Monetary Fund and Bank of International Settlements.

Dr. Ramasastry holds a Ph.D. in Finance from the Indian Institute of Technology, Madras and was the top ranker in M.Sc. (Statistics) from Madras University and B.Sc. (Statistics) from Loyola College, Madras. He has also attended Advanced Management Programmes at the University of Oxford and Kellogg School of Management.

By order of the Board of Directors,
For IDBI Intech Limited

Sd/-

Ritesh Kumar Jain
Company Secretary

Place: Navi Mumbai
Date: August 22, 2017

Directors' Report

To,
The Members of IDBI Intech Limited

Your Directors are pleased to present the 17th Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended March 31, 2017.

Financial Results:

The financial highlights of the company for the year ended March 31, 2017 with comparative figures for the previous year are given below:

Financial Highlights:

Particular As at Year end	Amount (₹ in Lakhs)	
	2016-17	2015-16
Income from operations	7,715.42	5,654.91
Other Income	406.47	194.30
Total Income	8,121.89	5,849.21
Expenditure	5,923.08	5,160.68
Profit / (Loss) before Depreciation, Interest and Tax	2,198.81	688.53
Less: Depreciation	59.03	90.02
Profit / (Loss) before Interest and Tax	2,139.78	598.51
Less: Financial Charges	--	0.18
Profit / (Loss) Before Extraordinary Items & Tax	2,139.78	598.33
Add Excess Depreciation due to change in Depreciation method from WDV to SLM.	--	39.79
Less: Provision for Taxation	721.55	216.87
Add : Deferred Tax Income / (Expenditure)	23.12	0.84
Profit / (Loss) After Tax	1,395.11	422.09
Add: Prior Period Income / (Expenditure) (Net)	--	--
Profit / (Loss) for the Year	1,395.11	422.09

Business Performance:

Software Development and Customization:

Capitalizing on its manpower asset of experienced Banking and Technology experts, Intech has been the IT backbone of its parent organization i.e. IDBI Bank Ltd. and has been meeting the Bank's IT requirements, assisting the bank in its hardware and software procurements, managing Data Centre and DR site for the bank and also providing IT enabled services like Customer care centre. Besides developing various software solutions on an ongoing basis, using advanced state of the art technologies, Intech has provided innovative Banking products and solutions like Facebook Banking (i-Engage), Mini Enterprise Service Bus (i-BUS) and Abhay Card - a Card Control solution. Keeping customer orientation and convenience in mind, Intech aims at providing cost effective IT solutions which provides operational convenience, reduces transaction cost and turnaround time, making the Banks Services self-driven by the Customer. It has been the quest of Intech to adopt emerging technologies and constantly updates its knowledge and skill sets by retraining the resources / acquiring skilled resources.

While all focus is kept on serving the internal client, Intech also markets its Software products and services to the external market particularly the BFSI sector. Its flagship products like Anti Money Laundering Solution, Income Recognition & Asset Classification, and Payment Solution - i@Connect have earned a good name in the market.

During the Financial Year 2016-2017 many projects of various sizes were delivered through in house development besides other major outsourced projects. Some of the noteworthy initiatives are mentioned below:

Innovative product Launches:

Facebook Banking (i-Engage)

The current techno savvy generation has a fancy for interaction with their social circle through Facebook, Twitter, WhatsApp etc. Considering these trends it was decided to develop Facebook Banking Application for Bank's tech savvy customers. The product has been developed in-house by Intech and was launched on the Bank's Foundation Day 1st October 2016. The key features of the Facebook Banking are: Operative Account Information, Loan Account Information, Deposit Account Details, Bills Services and Demat Account information. The same feature would shortly be made available on Twitter.

The product won Banking Technology "Technoviti Award 2017"

Mini Enterprise Service Bus (i-BUS)

IDBI Intech Ltd. (Intech) has developed a product "i-Bus", a mini ESB which is used for integration of various applications such as Net Banking, Social Banking etc. This product is completely

designed and developed in-house.

i-BUS which acts as a middle layer, receives service requests from customers and sends it securely to the appropriate internet facing applications as well as to the internal systems like AML and payments systems. With i-BUS, the Bank is now able to centrally locate their business logics and provide access to data both to the external or internal development team in a highly secure manner. It is powered by in house developed Encryption algorithm on top of AES256 bit encryption and dynamic salt generation for AES algorithm.

Few other noteworthy initiatives during the Financial Year 2016-17 were as follows:

Initiatives to improve Customer Service:

E-Lounge

To provide round the clock Banking services to IDBI Bank's customers, at their own convenient time and giving them experience of state of the art technology based banking facilities, the e-Lounge facility was set-up by Intech for IDBI Bank which dedicated 53 e-lounges to its customers on the occasion of Bank's 53rd Foundation Day on October 1, 2016.

e-Lounges are equipped with Cash Dispenser, Cash Recyclers, Cheque Deposit Kiosk, Passbook Printing Kiosk, Multi-Function Kiosk for all Internet Banking based facilities and Information Display Kiosks, which facilitate customers to avail banking facilities 24 x 7 x 365.

Initiatives to improve operational efficiency:

Specified Bank Notes Exchange System (SBNES):

Consequent to demonetisation of ₹500/- and ₹1,000/- announced by the Government and introduction of ₹2,000/- denomination notes, various projects were undertaken on a war footing to support the bank. Some of the projects were:

- Specified Bank Notes Exchange System (SBNES) was developed overnight so that bank could capture details of old discontinued notes exchanged and deposited. All reports for regulatory and GOI compliance were generated through this system.
- Customizing existing Currency Chest System: Currency chest system was customized overnight to support notes of ₹2000/- denomination.
- ATMs were calibrated across the bank along with coordination with various vendor teams
- MIS reports from the above systems along with correlation with the Core Banking system were provided to the bank for regulatory reporting.

Payment System Initiatives:

IMPS on Retail Internet Banking

IMPS, today is the fastest way of transferring funds to beneficiaries outside the bank. The internet banking module has been developed by Intech and provided to IDBI Bank, which enables all the Bank's Internet Banking customers to use this feature and remit funds instantaneously. It has opened up additional channel for instantaneous funds transfer to other Bank customers.

Tax collection & Government Schemes:

Gujarat Cyber Treasury Online tax module through Internet Banking

IDBI Bank offers services for online payment of taxes for various State and Central Governments. For the state of Gujarat, the Bank had previously provided facility for collection of only VAT / CST / SRT. The coverage of tax collection has been widened to include tax collection for other Departments viz. Commercial tax Department, Information and Broadcasting Department, Geology and Mining Department & Labour Department. The necessary customization has been done in Internet Banking application for on-line integration and development of various reports and challans.

Awards and Recognition:

Intech has bagged Banking Frontier's Technoviti Award 2017 for the Mini Enterprise Service Bus (i-BUS) product. It has been implemented at IDBI Bank and used for integration of internet facing application viz. Facebook Banking (i-Engage), Abhay Card and some of the i-Net Banking features. This is the second consecutive year when Intech has received Technoviti award. Last year Intech received this award for its AML product (i-AML V2.0).

IDBI Bank received NetApp Trendsetter Award for Facebook banking i-Engage, a product that has been developed by Intech.

A CTO Summit was organised by Elets Technomedia on 23rd August, 2016 in which Mr. M. A. Khan, MD & CEO was felicitated with BFSI Technology Leadership Award in recognition of his efforts for championing the cause of IT for Banking.

IDBI Intech received a boost in its brand equity when MD & CEO Mr. M. A. Khan was invited to participate in the panel discussion of the ET Banking Technology Summit, held on 23rd February 2017. The topic of discussion was Reality or Illusion: A CEOs perspective on a Fully Digital Bank in India.

In recognition of the organisation's Quality Management System, Intech has been recertified as ISO9001:2008 compliant.

Intech had participated in IDRBT's Banking Application Contest

2017 (IBAC) where the participants were from Banks, IT companies and Fintech companies and the focus was on innovative banking applications. Intech had participated with two team entries viz. i-BUS and Abhay Card. Through a rigorous selection process, out of 25-30 applications received this year, IDRBT's panel of judges consisting of professors of Technology and visiting PhD's shortlisted 10 applications which included both our products viz i-BUS & Abhay Card. Presentations were made by these 10 teams to an esteemed panel of 20 CIO's from all big banks in India. Based on an aggregate score i-BUS was awarded the **FIRST prize**.

Marketing Efforts:

To give a thrust to external business, a strategic decision has been taken to set up a Business Development Department and offer our flagship products to the external market and make a sizable contribution to Intech's bottom line.

Intech had put-up stalls at the Co-operative Banks Seminar organised by Banking Frontier at New Delhi on 17th & 18th September 2016. Intech had also put-up a stall at the 5th International Exhibition and Conference on Banking Technology, Equipment & Services - IBEX India 2017 Exhibition, held on from 19th to 21st January 2017, which was organised by PDA Trade Affairs, a member of IAFE (International Association of Fairs & Expositions). At both these places there was a good response of visitors. With these efforts, Intech has been announcing its presence in the IT Solution providers market and is hopeful of promoting its flagship products.

Intech has entered the Payment Bank segment with its AML product.

Implementation of applications procured from external vendor:

Intech has been associated with IDBI Bank in implementation of their major projects like EDW, EFRMS, Loan Processing System, OFSAA, ITMS, Migration to Finacle 10.x, etc.

Human Resource Development

HR initiatives taken during F.Y. 2016-17

Employee benefits:

Learning & Development initiatives for employees were undertaken by organising Business Communications trainings, internal workshops for knowledge sharing by application owners on 'Payment Systems, NEFT & RTGS' & recent applications such as: 'i-Bus and i-Engage', on 'Secure coding practices' & 'Information Security Awareness'. Induction & General banking programs were held at regular intervals, employees were nominated for various open workshops like 'GST in India', 'Cyber Defence for Bank' & 'Information Systems Control and Audit'.

Festival celebrations were held for Ganeshotsav & Navratri.

Annual Sports events for Chess, Carrom and Cricket were scheduled for the employees. Health initiatives like Blood Donation camp, session on 'Healthy Eating' and session on Ergonomics were organised for benefit of employees.

Membership of IDBI Staff Co-op Credit Society were extended to employees of IDBI Intech. Advance facility (maximum one month basic pay) at 0% interest has been launched for employees. Intech has also empanelled a male and female doctor for a period of 2 hours daily, during the working hours for consultation.

STATUTORY DISCLOSURE U/s 134 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, 2017:

- | | |
|--------------------------|---|
| 1) Shri Kishor P. Kharat | 2) Shri K. P. Nair |
| 3) Shri B. Sambamurthy | 4) Dr. N. L. Sarda |
| 5) Prof. B. H. Jajoo | 6) Shri Mohammad Afzal Khan
(MD & CEO) |

1. Board Meetings:

During the Financial Year ended March 31, 2017, five meetings of the Board of Directors were held, as follows:

Sr. No.	Date	Total No. of Directors	No. of Directors Present
1)	April 25, 2016	6	5
2)	July 27, 2016	6	6
3)	August 22, 2016	5	4
4)	December 5, 2016	6	5
5)	March 16, 2017	6	4

2. Audit Committee of the Board:

The Audit Committee of the Board comprised of the following Directors as on March 31, 2017:

- 1) Shri B. Sambamurthy
- 2) Shri K. P. Nair
- 3) Dr. N. L. Sarda
- 4) Prof. B. H. Jajoo
- 5) Shri Mohammad Afzal Khan

During the Financial Year ended March 31, 2017, four meetings of the Audit Committee of the Board were held, as follows:

Sr. No.	Date	Total No. of Directors	No. of Directors Present
1)	April 25, 2016	5	4
2)	July 27, 2017	5	5
3)	December 5, 2016	4	3
4)	March 16, 2017	5	4

3. Nomination & Remuneration Committee of the Board Meeting:

The Nomination & Remuneration Committee of the Board comprises of following Directors as on March 31, 2017:

- 1) Shri B. Sambamurthy.
- 2) Shri K. P. Nair
- 3) Dr. N. L. Sarda

During the Financial Year ended March 31, 2017, Five meetings of the Nomination & Remuneration Committee of the Board were held, as follows:

Sr. No.	Date	Total No. of Directors	No. of Directors Present
1)	April 25, 2016	3	2
2)	July 27, 2016	3	3
3)	August 22, 2016	2	2
4)	December 5, 2016	2	2
5)	March 16, 2017	3	2

4. Corporate Social Responsibility Committee of the Board:

The Corporate Social Responsibility Committee of the Board comprises of following Directors as on March 31, 2017:

- 1) Shri K. P. Nair
- 2) Dr. N. L. Sarda
- 3) Shri Mohammad Afzal Khan

During the Financial Year ended March 31, 2017, one meeting of the Corporate Social Responsibility Committee of the Board was held as follows:

Sr. No.	Date	Total No. of Directors	No. of Directors Present
1)	July 27, 2016	3	3

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 year ended March 31, 2017, the applicable accounting standards had 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 and loss of the Company for the period ended on March 31, 2017.

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.

5) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

6) The proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

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 Remuneration Policy & Appointment and Evaluation Policy for appointment of Directors and Key Managerial Personnel.

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 Lakhani & Lakhani, Chartered Accountants (FRN: 115728W), Mumbai were appointed as Statutory Auditors for the Financial Year 2016-17. There is no reservation, qualification or adverse remark in Auditor's Report

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 2016-17.

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 the transaction in ordinary course of business during the F.Y. 2016-17 for which Omnibus approval is taken from Audit Committee of the Board at its meeting held on July 27, 2016. Detailed of transactions are attached as per Annexure - III in form AOC-II.

I] State of Companies Affairs:

Inductions

The Board made the following appointments / re-appointments based on the recommendations of the nomination and remuneration committee:

1) Shri Mohammad Afzal Khan was appointed as an Additional Director (Din: 07594021) on the Board of the Company and designated him as Managing Director & CEO on 22 August, 2016, for an initial period of one year.

2) Shri K. P. Nair has been appointed as Additional Director (Din: 02611496) on the Board on 05, December, 2016.

In the last Annual General Meeting of the Company, Shri Mohammad Afzal Khan, MD & CEO was appointed as Director not liable to retire by rotation.

In the last Annual General Meeting of the Company, Shri Kishor P. Kharat, Director (Din: 07266945) was appointed as Director liable to retire by rotation.

Retirements and Resignations

1) Shri B. K. Batra had demitted his office as Deputy Managing Director of IDBI Bank as at the end of July 30, 2016, therefore, he resigned from the post of Director (Din: 00015732) of IDBI Intech Limited on August 18, 2016.

2) Shri Inderpal S. Kalra resigned from the office of Director and the post of Managing Director & CEO (Din: 00307410) with effect from the close of business on August 08, 2016.

3) Shri Kishor P. Kharat resigned from the office of Director and the post of Chairman of the Board with effect from the close of business hours on March 31, 2017.

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-appointments of directors shall be as per the items included in Notice of 17th Annual General Meeting of the Company.

j] The amount if any, proposes to carry to any reserve:

During the F.Y. 2016-17, no amount has been proposed to be carried to any reserve.

k] Dividend:

Your directors have declared interim dividend @ 35% (i.e. ₹3.50/- per share) amounting to ₹4,59,48,724.50 (Rupees Four Crore Fifty Nine Lakh Forty Eight Thousand Seven Hundred Twenty Four and Fifty Paise only) (exclusive of Dividend Distribution Tax) which has been paid in the month of March 2017.

l] Material Changes and commitments:

During the F. Y. 2016-17 and as on the date of the Board report, there are no material changes and commitments in the business affairs of the company which affects the financial position of the company.

m] Detail 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 ₹2,71,09,103/- and has outgo of foreign exchange amounting to ₹41,83,265/- during the Financial year 2016-17 as compared to corresponding figures of ₹2,84,08,415/- and ₹54,97,941/- 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 brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure II** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company.

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 March 16, 2017 and the Board of Directors have evaluated the performance of Independent Directors at its meeting held on March 16, 2017 as prescribed under Schedule IV of the Companies Act 2013.

Capital:

During the year under report, your Company did not increase the paid up share capital.

Fixed 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. 2016-17.

Disclosure under Sexual Harassment of Woman 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, during the F.Y. 2016-17, there were no cases of sexual harassment received or reported.

Acknowledgement:

It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in the future. Your Directors acknowledge with sincere gratitude the co-operation and assistance extended by IDBI Bank, Group Companies, its customers and other Business Associates, Customers, Dealers, Vendors Ancillary Undertakings. The Board expresses its sincere appreciation and deep gratitude to the management of IDBI Bank for their valuable advice and guidance as also the various functionaries within the Bank for their unstinted support and co-operation throughout the year.

For and on behalf of the Board

Place: Navi Mumbai
Date: August 22, 2017

Sd/-
K. P. Nair
Chairman

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

As on financial year ended 31.03.2017

**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	83.90
2)	Call Centre Services	72	11.10

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	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 2016]				No. of Shares held at the end of the year [As on 31 March 2017]				%Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters	---	---	---	---	---	---	---	---	---
(1) Indian									
a) Individual / HUF	---	---	---	---	---	---	---	---	---
b) Central Govt.	---	---	---	---	---	---	---	---	---
c) State Govt.(s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	Nil	1,31,28,207	1,31,28,207	100%	Nil	1,31,28,207	1,31,28,207	100%	Nil
e) Banks / FI	---	---	---	---	---	---	---	---	---
f) Any other	---	---	---	---	---	---	---	---	---
Total shareholding of Promoter (A)	Nil	1,31,28,207	1,31,28,207	100%	Nil	1,31,28,207	1,31,28,207	100%	NIL
B. Public Shareholding	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(1) Institutions									
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)	---	---	---	---	---	---	---	---	---
Sub-total (B)(1):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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	---	---	---	---	---	---	---	---	---
Sub-total (B)(2):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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
Grand Total (A+B+C)	Nil	1,31,28,207	1,31,28,207	100%	Nil	1,31,28,207	1,31,28,207	100%	NIL

B) Shareholding of Promoter:

S No. Shareholder's Name	Shareholding at the beginning of the year [As on April 1, 2016]			Shareholding at the end of the year [As on March 31, 2017]				%change in shareholding during the year
	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		
1) IDBI Bank	13128201	99.99%	NIL	13128201	99.99%	NIL		NIL
2) IDBI Bank jointly with Smt. Daksha Girdhar Boricha	1	0.0017	NIL	0	0	NIL		NIL
3) IDBI Bank jointly with Shri Deepak Gupta	1	0.0017	NIL	0	0	NIL		NIL
4) IDBI Bank jointly with Shri Rakesh Kumar	1	0.0017	NIL	1	0.0017	NIL		NIL
5) IDBI Bank jointly with Smt. Vaishali Sanjay Nemlekar	1	0.0017	NIL	0	0	NIL		NIL
6) IDBI Bank jointly with Shri Anup Kumar Janardhanan	1	0.0017	NIL	1	0.0017	NIL		NIL
7) IDBI Bank jointly with Shri Rajan Shukla	1	0.0017	NIL	1	0.0017	NIL		NIL
8) IDBI Bank jointly with Shri. Satish P. Kamath	0	0	NIL	1	0.0017	NIL		NIL
9) IDBI Bank jointly with Shri Venkataramana Vankara	0	0	NIL	1	0.0017	NIL		NIL
10) IDBI Bank jointly with Shri Rakesh Awasthi	0	0	NIL	1	0.0017	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.

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Amount in ₹)

S No.	Particulars of Remuneration	MD & CEO	Total Amount
1)	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	*Shri. Mohammad Afzal Khan (From 22 nd August, 2016 to 31 st March 2017)	18,47,874	18,47,874
	*Shri. Inderpal S. Kalra (From 1 st April, 2016 to 8 th August, 2016)	14,35,845	14,35,845
	(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)	32,83,719	32,83,719
	Ceiling as per the Act		

*Shri Mohammad Afzal Khan - MD & CEO is on deputation from IDBI Bank and his salary is reimbursed to IDBI Bank as per their Invoice.

*Shri Inderpal S. Kalra Ex - 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

SN	Particulars of Remuneration	Name of Directors			Total
		Dr. N. L. Sarda	Prof. B. H. Jajoo	Shri B. Sambamurthy	
1)	Independent Directors				
	*Fee for attending board / committee meetings	1,00,000	60,000	90,000	2,50,000
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	1,00,000	60,000	90,000	2,50,000
2)	Other Non-Executive Directors				
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B) = (1+2)	1,00,000	60,000	90,000	2,50,000
	Total Managerial Remuneration	NA	NA	NA	NA
	Overall Ceiling as per the Act	NA	NA	NA	NA

*₹10,000 for attending Board, ₹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
		Shri Ritesh Kumar Jain, Company Secretary	Shri Dinyar Sutaria, CFO	
1)	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	15,30,885	28,73,040	44,03,925
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	NA	NA	0
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	NA	NA	0
2)	Stock Option	Nil	Nil	Nil
3)	Sweat Equity	Nil	Nil	Nil
4)	Commission	Nil	Nil	Nil
	As % of profit	Nil	Nil	Nil
	Others, specify	Nil	Nil	Nil
5)	Others, please specify	Nil	Nil	Nil
	Total	15,30,885	28,73,040	44,03,925

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
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers In Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Place: Navi Mumbai
Date: August 22, 2017

For and on behalf of the Board
Sd/-
K. P. Nair
Chairman

ANNEXURE - II

Report on CSR Activities

1] Brief Outline of CSR Policy:

Company has adopted the following core areas for its CSR initiatives, all of which are culled from the activities spelt out under Schedule VII of the Companies Act 2013, as redrawn through the MCA notification of Feb 27, 2014:

- (i) Eradicating hunger, poverty and malnutrition, Promoting Healthcare (including preventive healthcare) and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for promotion of sanitation and making available safe drinking water.;
- (ii) Promoting Education (including specialized and employment oriented vocational skills) and Livelihood enhancement projects;
- (iii) Promoting Gender Equality and Socio-economic Empowerment;
- (iv) Ensuring Environmental Sustainability;
- (v) Protecting and Preserving National Heritage, Culture and Art;
- (vi) Welfare measures for Armed Forces Veterans and their Dependents;
- (vii) Promotion of Sports activities;
- (viii) Contribution to Central Government Relief and Welfare Funds (as admissible under the Act);
- (ix) Contribution / Funding to GOI approved Technology Incubators; and
- (x) Rural Development Projects.
- (xi) Slum Area Development

2] Composition of CSR Committee:

The CSR Committee of the Board is comprised of the following directors:

S. No.	Name of the Member	Designation
1.	Shri K. P. Nair	Chairman of the Committee
2.	Dr. N. L. Sarda (Ceased to be director w.e.f 26-06-2017)	Independent Director
3.	Shri Mohammad Afzal Khan	MD & CEO

3] Average Net Profit of the Company for last three F.Y. 2016-17 - ₹ 4,85,39,165/-

4] Prescribed CSR Expenditure (2% of the amount as in item 3) - ₹ 9,70,783/-

5] Detail of CSR Spent during the financial year:

- (a) Total Amount to be Spent for the Financial Year 2016-17: ₹9,70,783/-
- (b) Approved Budget for F. Y. 2016-17: ₹10,00,000/-
- (c) Actual Amount Spent for the Financial Year 2016-17: ₹10,29,329/-
- (d) Amount unspent if any: ₹ Nil/-

(e) Manner in which the amount spent during the F.Y. 2016-17 is detailed below:

S. No.	CSR Activity identified	Sector in which the project is covered	Location of project undertaken	Amount Outlay (Budget) project wise	Amount Spent on the project	Cumulative expenditure up to the reporting period	Amount Spent Direct or through implementing Agency
1.	Promoting IT Education / Information Technology related projects for the underprivileged	Navi Mumbai Municipal Schools (List attached)	Navi Mumbai (List attached)	₹10.00 Lakh	₹10.29 Lakh	₹10.29 Lakh	Amount spent directly to NMMC School

6] Responsibility Statement of CSR Committee

The CSR Committee certifies that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-
Mohammad Afzal Khan
Managing Director & CEO

Sd/-
K. P. Nair
Chairman CSR Committee

Location of Project Undertaken & Budget Outlay

List of Schools

Sr. No.	School Name & Address	No. of Pcs	Amount (Incl. Taxes)
1)	NMMC Secondary School No. 102, Sector-4, Opp. Dr. Karve Hospital, Nerul, Navi Mumbai.	3	1,02,142.20
2)	NMMC Secondary School No. 103, Sector-14, Airoli, Navi Mumbai.	3	1,02,142.20
3)	NMMC Secondary School No. 104, Katkaripada, Ambedkar Nagar, Rabale, Navi Mumbai.	3	1,02,142.20
4)	NMMC Secondary School No. 105, 2nd floor, Ward Office Bldg., Ghansoli, Navi Mumbai.	4	136,189.60
5)	NMMC Secondary School No. 106, Primary School No. 35, 72 & 73, Sector-5, Kopar Khairane, Navi Mumbai.	5	170,237.00
6)	NMMC Secondary School No. 107, Turbhe Gaon, Navi Mumbai.	2	68,094.80
7)	NMMC Secondary School No. 109, Urdu Primary School, Khairane Gaon, Navi Mumbai.	2	68,094.80
8)	NMMC Secondary School No. 112, Primary School, Karave, Nerul, Navi Mumbai.	2	68,094.80
9)	NMMC directed Secondary School No. 115, Primary School, Shramik Nagar, Mahape, Navi Mumbai, P.O. Ghansoli.	3	1,02,142.20
10)	NMMC Secondary School No. 117, Diwale School, Diwale Gaon, Konkan Bhavan, Navi Mumbai.	1	34,047.40
11)	NMMC Secondary School No. 110, Vashi School, Primary School Bldg., Sector-15, Near Modern College, Vashi, Navi Mumbai.	2	68,094.80
	Expenses incurred for the CSR activity		7,907.00
Total		30	10,29,329.00

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 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.	IT Advisory & Consultancy Services, ATM Implementation Services, Manpower Services, Customer Care Services, Training Services and Interest on Fixed Deposit with Bank	FY 2016-17	60,22,44,582.00 IT Advisory & Consultancy payment quarterly in advance and for other services payments received after completion of services. Interest on fixed deposit was booked on accrued basis.	July 27, 2016	– Nil --

Date: August 22, 2017

Sd/-
Mohammad Afzal Khan
Managing Director & CEO

TO THE MEMBERS OF IDBI INTECH LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **IDBI INTECH LIMITED**, which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give **Annexure B** a statement on the matters specified in paragraphs 3 & 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) The internal financial controls over financial reporting of the Company and the operating effectiveness of such controls are given in the **Annexure C** attached.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has 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.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. Report on Directions issued by Comptroller and Auditor General of India under section 143(5) of Companies Act 2013

Sr. No. Directions	Remark
1) Whether the company has clear title / lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land which title / lease deeds are not available?	Not Applicable
2) Whether there are any cases of waiver / write off of debts / loans / interest etc., if yes, the reasons there for and the amount involved.	As per Annexure - A
3) Whether proper records are maintained for inventories lying with third parties and assets received as gift / grant(s) from the Govt. or other authorities?	Not Applicable
4) Whether there are any cases of waiver of fees / reversal of accounted fees which was due but not received / written off. If yes, the reasons therefor and amount involved - case wise.	Nil

Place: Mumbai
Date: 27th April 2017

For Lakhani & Lakhani
Chartered Accountants
Sd/-
Shri Deepak M Mojdra
(Partner)
Membership No.: 129704
ICAI FR No.: 115728W

Annexure - A
Report on Write-off during the year

No. & Name of the Party	Amount Written off	Reason
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1) Reserve Bank of India (RBI)	₹ 19,56,814/-	IDBI Intech (Intech) has been providing helpdesk engineers & software maintenance services to RBI since May 2012. Contract period & rates are renewed annually.
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Intech had raised the following Invoices form January 2015 to June 2016

For Project Maintenance Charges

Sr. No.	Invoice No. & Date	Period	₹ Amount
1	Intech/258/14-15 dt. 22-01-15	01/07/14 to 31/12/14	5,09,552
2	Intech/117/15-16 dt. 14-07-15	01/01/15 to 30/06/15	5,16,990
3	Intech/335/15-16 dt. 23-02-16	01/07/15 to 31/12/15	8,24,400
4	Intech/16-17/044 dt. 15-06-2016	01/01/16 to 30/06/16	8,28,000
Total - A			26,78,942

Charges Help desk Engineers

Sr. No.	Invoice No. & Date	Period	₹ Amount
1	Intech/19/15-16 dt. 27-04-15	01/01/15 to 31/03/15	18,31,608
2	Intech/91/14-15 dt. 26-06-15	01/04/15 to 30/06/15	16,95,331
3	Intech/241/15-16 dt. 18-11-15	01/07/15 to 30/09/15	20,53,134
4	Intech/334/15-16 dt. 23-02-16	01/10/15 to 31/12/15	20,53,135
5	Intech/16-17/045 dt. 15-06-2016	01/01/16 to 30/06/16	41,24,190
Total - B			1,17,57,398
Total (A+B)			1,44,36,340

Out of the total amount of ₹ 1,44,36,340/-, RBI has deducted ₹ 19,56,814/- against various invoices mentioned above. As communicated to Intech, this deduction is towards leave availed by the maintenance & help desk engineers.

Intech did multiple follow-ups with RBI for releasing the balance payment, but RBI declined the request.

Hence, as per Income reversal and write - off policy, and considering the continuing business relations with RBI, total outstanding amount of ₹19,56,814/- (including ₹ 8,25,985/- provided earlier) was written off from the books in the current financial year.

2) J & K Grameen Bank	₹ 23,400/-	J&K Grameen Bank had placed an order vide No. JKGB/IT/i@connect/2012-9828 dt. February 1 st '2012 for i@connect Corporate License - NEFT & RTGS for ₹ 30.00 lakh plus taxes.
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IDBI Intech had successfully completed the implementation and installation of i@connect and subsequently raised invoices as per PO terms and conditions.

Intech had raised an Invoice No. Intech/472 (12-13) for ₹ 1,01,058/-, (towards reimbursement of hotel charges ₹ 60,000/-, local conveyance ₹ 23,400/- and

No. & Name of the Party	Amount Written off	Reason
		<p>laundry charges ₹ 17,658) out of which Intech has received an amount of ₹60,000/- for hotel charges, ₹ 17,658/- for laundry charges and the balance amount of ₹ 23,400/- for local conveyance has not been paid by the J&K Grameen Bank.</p> <p>An amount of ₹ 23,400/- had to be written off as per Income Reversal & Write off policy.</p>
3) Dena Bank	₹ 33,590/-	<p>Intech had received an order from Dena Bank for conducting Data Migration Audit for 253 Regional Rural branches to Core Banking Solution for a total of ₹4,32,248/-. Out of the 253 branches, Dena Bank could provide data for only 66 branches and work has been completed for the same.</p> <p>Two invoices were raised, and payment of ₹99,552/- for migration audit of 45 branches has been received. The second invoice was for ₹ 33,590/- (Intech/620 dt. 3rd Jan'2014) was for the remaining 21 branches which remains unpaid.</p> <p>For the remaining branches Dena Bank is unable to provide data in structured / electronic format due to which migration audit could not be completed. Follow up was done to obtain data in a structured / electronic format but the same was not made available.</p> <p>Multiple follow ups have been made for recovery of the above mentioned outstanding invoice since last two years. Intech has been continuously following up for the recovery of outstanding invoice, but despite numerous calls and several reminders there is no response from Dena Bank. Since the Bank does not have any additional legacy data for remaining branches, audit cannot be carried out further.</p> <p>An amount of ₹ 33,590 had to be written off as per the Income Reversal & Write off policy.</p>
TOTAL	₹ 20,13,804/-	

The Annexure referred to in our Independent Auditor’s report to the members of IDBI INTECH LIMITED for the year Ended on 31st March 2017. We report that:

(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, there were no loans, guarantees, securities given or investments made. Hence not applicable.

(5) 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) 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, the company has been generally regular in depositing undisputed applicable statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax and any Other Statutory Dues with the appropriate authorities during the year. In respect of the said dues, there are no outstanding dues as at 31st March 2017, which have remained unpaid for more than six months from the date they became payable.

b) According to the information and explanation given to us, there are no dues of income tax, service tax, and value added tax outstanding on account of any dispute.

(8) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable

(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)The provision of section 197 is not applicable to Government company. MD & CEO is on deputation from IDBI Bank.

(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 and the details of such 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.

For Lakhani & Lakhani
Chartered Accountants

Sd/-

Shri Deepak M. Mojindra
(Partner)

Membership No. 129704
ICAI FR No. 115728W

Place: Mumbai
Date: 27th April 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF IDBI INTECH LIMITED

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

We have audited the internal financial controls over financial reporting of IDBI INTECH LTD as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended 31st March 2017.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on 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 Lakhani & Lakhani
Chartered Accountants
Sd/-

Shri Deepak M. Mojindra
(Partner)

Membership No. 129704
ICAI FR No. 115728W

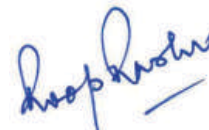
Place: Mumbai
Date: 27th April 2017

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 2017

The preparation of Financial Statements of IDBI Intech Limited for the year ended 31 March 2017 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 Statement under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 April 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under section 143(6)(a) of the Act of the Financial Statement of IDBI Intech Limited. For the year ended 31 March 2017. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon supplement to Statutory Auditor's Report.

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



(Roop Rashi)

Principal Director of Commercial Audit and
ex-officio Member, Audit Board-I, Mumbai

Place: Mumbai
Date: 29-06-2017

Balance Sheet as at 31st March 2017

	Refer Note No.	Year Ended 31 st March 2017 (₹)	Year Ended 31 st March 2016 (₹)
Equity & Liabilities			
Shareholder's Funds			
Share Capital	2	13,12,82,070	13,12,82,070
Reserves & Surplus	3	32,94,15,713	24,52,06,901
		46,06,97,783	37,64,88,971
Current Liabilities			
Trade Payables	4	93,87,044	12,83,586
Other Current Liabilities	5	86,86,013	91,62,955
Short Term Borrowings	6	(2,882)	(2,997)
Short Term Provisions	7	1,73,89,228	1,03,77,062
		3,54,59,403	2,08,20,606
Total		49,61,57,186	39,73,09,577
Assets			
Non - Current Assets			
Fixed Assets	8		
Tangible Assets		2,04,13,549	38,85,454
Intangible Assets		91,84,679	26,48,748
Capital Work in Progress			
Intangible Assets under Development		27,30,362	17,500
Deferred Tax Asset (Net)	9	11,89,409	35,01,433
Long Term Loans & Advances	10	5,11,99,003	13,48,41,106
Other Non Current Assets	11	13,14,500	4,93,426
		8,60,31,502	14,53,87,667
Current Assets			
Trade Receivables	12	1,88,40,755	93,74,691
Cash & Bank Balances	13	36,47,44,636	22,72,76,332
Short Term Loans & Advances	14	2,65,40,293	1,52,70,887
		41,01,25,684	25,19,21,910
Total		49,61,57,186	39,73,09,577

Notes forming part of Financial Statements.

1 to 32

As per our report attached.
For Lakhani & Lakhani
Chartered Accountants

For and on behalf of the Board

Sd/-
Shri Deepak M. Mojidra
(Partner)
Membership No.: 129704
Firm Registration No.: 115728W

Sd/-
Shri M. A. Khan
Managing Director & CEO

Sd/-
Shri K. P. Nair
Chairman

Place: Navi Mumbai.
Date: 27th April 2017

Sd/-
Shri Ritesh Kumar Jain
Company Secretary

Sd/-
Shri Dinyar Sutaria
CFO, Sr. VP - Admin & HR

Profit & Loss Statement for the year ended 31st March 2017

	Refer Note No.	Year Ended 31 st March 2017 (₹)	Year Ended 31 st March 2016 (₹)
Revenue			
Revenue from Operations	15	77,15,42,105	56,51,76,376
Foreign Exchange Gain		-----	3,14,353
Other Income	16	4,06,47,283	1,94,30,684
Total		81,21,89,388	58,49,21,413
Expenses			
Employee Benefits Expenses	17	54,03,96,999	46,78,26,216
Other Operating Expenses			
Expenses for Information Technology (IT) Services	18	3,96,48,012	3,66,11,537
Expenses for National Contact Centre	19	26,58,552	29,36,911
Expenses for OBST	20	7,00,222	14,33,968
Administration & Other Expenses	21	89,04,299	72,59,360
Finance Cost			
Interest on OD		-----	17,990
Depreciation & Amortization Expenses	8	59,02,652	90,02,511
Total		59,82,10,736	52,50,88,493
Profit Before Extraordinary Items & Tax		21,39,78,652	5,98,32,920
Extraordinary Items			
Excess Depreciation due to change in Depreciation from WDV to SLM.		-----	39,79,133
			39,79,133
Profit Before Tax		21,39,78,652	6,38,12,053
Tax Expense			
Current Tax		(7,19,69,000)	(2,16,87,000)
Deferred Tax		(23,12,022)	84,152
Prior Period Tax Adjustment		(1,86,014)	-----
		(7,44,67,036)	(2,16,02,848)
Profit for the period		13,95,11,616	4,22,09,205
Earnings Per Share (Face Value Rs. 10/- per share)			
Basic & Diluted		10.63	3.22

Notes forming part of Financial Statements. 1 to 32

As per our report attached.
For Lakhani & Lakhani
Chartered Accountants

For and on behalf of the Board

Sd/-
Shri Deepak M. Mojidra
(Partner)
Membership No.: 129704
Firm Registration No.: 115728W

Sd/-
Shri M. A. Khan
Managing Director & CEO

Sd/-
Shri K. P. Nair
Chairman

Place: Navi Mumbai.
Date: 27th April 2017

Sd/-
Shri Ritesh Kumar Jain
Company Secretary

Sd/-
Shri Dinyar Sutaria
CFO, Sr. VP - Admin & HR

1) Significant Accounting Policies

- a System of Accounting:** The Financial Statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles.
- b Revenue Recognition:** Revenue from contracts priced on time and material basis are recognized when services are rendered & related costs are incurred. Revenue from sale of products is recognised on achievement of milestone basis & on transfer of property of goods as per agreed terms. Annual Technical Services revenue is recognised proportionately over the period in which the services are rendered. Revenue from National Contact Centre is recognised upon receipt of confirmation of sales. Other Income is accounted on Accrual basis. Revenue from Interest is recognised as a time proportion basis taking into account the amount outstanding and rate applicable.
- c Fixed Assets and capital work-in-progress:** Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for its intended use, less accumulated depreciation. The Softwares sold, on which propriety rights continue with the company, are capitalized at cost.
- d Depreciation:** Depreciation on fixed assets is provided on the basis of Straight Line Method, as per Schedule II to the Companies Act, 2013, such that the assets are depreciated over their useful life. Depreciation on additions to / deletions from fixed assets is provided on pro rata basis from / up to the date of such addition / deletion as the case may be. Mobile handsets are depreciated over useful life of 3 years. Intangible Assets (Computer Software) are amortised equally over a period of five years in compliance with AS 26.
- e Foreign Currency Transactions:** Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Foreign monetary assets and liabilities are translated at the rate prevailing as on the date of balance sheet. The resulting exchange rate difference in translation are recognised in the Profit and Loss account for the year.
- f Employee Benefits:** Contribution to Provident Fund & ESIC is accounted on accrual basis. The company has created a trust for future payment of Gratuities. Leave Encashment, is funded with Life Insurance Corporation of India (LIC). Annual Gratuity contributions are made as determined by LIC for purposes of payment. The liability for gratuity at the end of each financial year is determined based on actuarial valuation. The difference between such actuarially determined liability and contributions made to the fund is recognized as a liability / asset, as the case may be.
- g Income Tax:** Income tax comprises the current tax provision and the change in the deferred tax asset or liability in the year. The deferred tax assets and liabilities are calculated on the accumulated timing difference at the end of an accounting period based on prevailing enacted tax rates. Minimum Alternative Tax (MAT) is worked out and provided in accordance to the tax laws, which gives future economic benefit in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax in future. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.
- h Earning per Share:** The earning per share has been reported in accordance with AS-20, "Earning Per Share". Basic earnings per equity share have been computed by dividing profit after Tax by the number of equity shares outstanding as at the accounting year-end. Diluted earnings per equity share has been computed using the number of equity shares outstanding as at the accounting year end and the dilutive potential equity shares outstanding as on the accounting year end.
- i Leases:** Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit & loss on straight - line basis.
- j Impairment of Assets:** The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, is charged to Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses no longer exist or have decreased.
- k Provisions, Contingent Liabilities and Contingent Assets:**
- (i) A provision is recognised when there is a present obligation as a result of past event and it is possible that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.
 - (ii) Contingent Liabilities are disclosed by way of notes.
 - (iii) Contingent Assets are not recognised.
- l Cash & Cash Equivalents:** Cash & Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and deposits with bank with an original maturity of three months or less.

2) Share Capital		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Authorised Capital			
7,50,00,000 equity shares of ₹ 10/- each		75,00,00,000	75,00,00,000
25,00,000 preference shares of ₹ 100/- each		25,00,00,000	25,00,00,000
		1,00,00,00,000	1,00,00,00,000
 Issued, Subscribed & Paid up			
1,31,28,207 equity shares of ₹ 10/- each fully paid up		13,12,82,070	13,12,82,070
		13,12,82,070	13,12,82,070
IDBI Bank Ltd. holds 100% of the paid-up share capital of the Company.			
3) Reserves & Surplus		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Profit & Loss Account			
Opening Balance		24,52,06,901	20,29,97,696
(+) Net Profit/(Net Loss) For the current year		13,95,11,616	4,22,09,205
(-) Dividend Paid		(4,59,48,725)	-----
(-) Tax on Dividend Paid		(93,54,079)	-----
Closing Balance		32,94,15,713	24,52,06,901
4) Trade Payables		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Creditors other than SSI			
Creditors for Expenses		93,87,044	12,83,586
		93,87,044	12,83,586
5) Other Current Liabilities		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
TDS Payable - Contractual payments		1,23,433	47,805
TDS Payable - Professional Services		2,58,304	6,14,938
TDS Payable - Rent		1,12,360	16,890
TDS Payable - Salaries		-----	29,171
Amounts payable to IDBI		16,34,998	16,34,998
Expenses Payable		11,09,866	10,70,973
CST / VAT Payable		-----	5,625
Profession Tax Payable		2,45,943	9,23,545
NMMC / LBT Payable		53,628	94,226
Sundry Creditors		31,38,411	35,61,605
Income Received in Advance		20,09,070	11,63,178
		86,86,013	91,62,955
6) Short Term Borrowings		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Secured			
IDBI Bank - Overdraft		(2,882)	(2,997)
		(2,882)	(2,997)
Overdraft facility availed from IDBI Bank is secured against current assets of the company and carries interest @ Base rate + 2% p.a. (present effective 12.25% p.a.)			
7) Short Term Provisions		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Provision for Employee Benefits		1,73,89,228	1,03,77,062
		1,73,89,228	1,03,77,062

Provision for employee benefits include Salary, Employer & Employee contributions to various statutory funds as per applicable statutes. Salary of ₹ 15.31 Lakh pertaining to OBST employees which remained unclaimed for more than three years as on 31st March, 2017 has been transferred to Labour Welfare Dept. in the current year. Balance ₹ 0.24 lakhs will be transferred to Labour Welfare Dept. in FY 2017-18.

Note 8: Schedule of Fixed Assets

	Gross Block				Depreciation				Net Block		
	As on 01/04/16	Additions	Deletion / Adjustment	As on 31/03/17	As on 01/04/16	Reversal (WDV-SLM)	Additions	Deletion/ Adjustment	As on 31/03/17	As on 31/03/17	As on 01/04/16
Tangible Fixed Assets											
Information Technology Division											
Computer & Accessories	1,77,41,766	1,83,83,726	3,78,990	3,57,46,502	1,56,18,831	----	25,89,630	3,78,990	1,78,29,471	1,79,17,031	21,22,935
Office Equipment	32,11,065	16,56,068	1,56,500	47,10,633	29,77,571	----	4,58,444	1,42,494	32,93,521	14,17,112	2,33,494
Power equipments	23,32,035	----	----	23,32,035	23,32,035	----	----	----	23,32,035	----	----
Furniture & Fixtures	2,70,686	16,650	----	2,87,336	2,44,504	----	21,081	----	2,65,585	21,751	26,182
Motor Car	20,02,698	----	----	20,02,698	9,97,919	----	2,50,337	----	12,48,256	7,54,442	10,04,779
Electrical Installation	4,22,967	----	----	4,22,967	1,99,085	----	42,297	----	2,41,382	1,81,585	2,23,882
National Contact Centre											
Building & Civil works	----	----	----	----	----	----	----	----	----	----	----
Office Equipment	8,51,237	18,674	----	8,69,911	8,44,456	----	6,781	----	8,51,237	18,674	6,781
Computer & Accessories	16,77,737	----	----	16,77,737	14,46,668	----	1,55,167	----	16,01,835	75,902	2,31,069
Electrical Installation	20,000	----	----	20,000	8,400	----	2,000	----	10,400	9,600	11,600
Furniture & Fixtures	4,22,367	----	----	4,22,367	3,97,635	----	7,280	----	4,04,915	17,452	24,732
	2,89,52,558	2,00,75,118	5,35,490	4,84,92,186	2,50,67,104	----	35,33,017	5,21,484	2,80,78,637	2,04,13,549	38,85,454
Intangible Fixed Assets											
Information Technology Division											
Intangible Assets	3,50,47,393	89,05,566	----	4,39,52,959	3,24,57,191	----	23,11,089	----	3,47,68,280	91,84,679	25,90,202
National Contact Centre											
Intangible Assets	14,63,758	----	----	14,63,758	14,05,212	----	58,546	----	14,63,758	----	58,546
	3,65,11,151	89,05,566	----	4,54,16,717	3,38,62,403	----	23,69,635	----	3,62,32,038	91,84,679	26,48,748
Total	6,54,63,709	2,89,80,684	5,35,490	9,39,08,903	5,89,29,507	----	59,02,652	5,21,484	6,43,10,675	2,95,98,228	65,34,202
Intangible Assets Under Development	17,500	27,12,862	----	27,30,362	----	----	----	----	----	27,30,362	----
Previous Period Figures	6,41,11,851	13,51,858	----	6,54,63,709	5,39,06,129 (39,79,133)	----	90,02,511	----	5,89,29,507	65,34,202	----

Mobile handsets which were earlier depreciated over a period of 5 years are now being depreciated over 3 years as they turn obsolete due to rapid technology enhancements. The retrospective effect of this policy change amounts to ₹ 52,338/- which is included in depreciation cost.

9) Deferred Tax		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Deferred Tax Asset - Depreciation		11,89,409	35,01,433
Deferred Tax Liability - Depreciation		-----	-----
Net Deferred Tax (Liability) / Asset		11,89,409	35,01,433
10) Long Term Loans & Advances (Unsecured, Considered good)		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Advances receivable in cash or kind			
Sundry Deposits		48,21,802	59,90,339
Tax Refund Due		3,15,54,546	11,95,12,790
Accrued Interest On FD's		1,16,32,625	61,47,947
Adjusted Refund against assessment of A.Y. 10-11		31,90,030	31,90,030
		5,11,99,003	13,48,41,106
11) Other Non Current Assets		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Longterm Trade Receivables		19,50,500	4,93,426
Provision for Doubtful Debts		(6,36,000)	-----
		13,14,500	4,93,426
12) Trade Receivables (Unsecured, considered good)		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Over Six Months		-----	21,35,293
Less than Six Months		1,88,40,755	80,65,383
Provision for Doubtful Debts		-----	(8,25,985)
		1,88,40,755	93,74,691
13) Cash & Bank Balances		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Cash & Cash Equivalents			
Cash in Hand		20,000	14,860
Current Account Balances (Includes Sweep In Deposit Balance)		3,37,99,628	1,16,19,705
Deposits with original maturity less than three months.		-----	5,69,00,000
		3,38,19,628	6,85,34,565
Other Bank Balances			
Deposits (Original maturity more than 3 months but less than 12 months)		26,66,31,410	9,64,69,344
Deposits (Original maturity exceeding 12 months)		6,42,93,598	6,22,72,423
		33,09,25,008	15,87,41,767
		36,47,44,636	22,72,76,332
14) Short Term Loans & Advances (Unsecured, considered good)		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Prepaid Insurance Charges			
Mediclaime Insurance		7,67,327	6,26,555
Vehicle Insurance		21,142	23,504
Group Term Insurance		97,014	77,103
Other Assets Insurance		23,909	9,298
Income Receivable		2,06,34,785	1,13,24,385
Advance Travelling & Conveyance		20,000	-----
Other Advances		18,649	14,597
PRI Line Reimbursement		-----	460
Miscellaneous Services Reimbursement		-----	3,17,355
Advance to Employees		95,000	15,000
TDS on Provisions		2,52,688	4,839
Service Tax Credit		3,46,137	5,80,259
Service Tax paid on Provisions		29,00,217	13,87,338
Prepaid Expenses		8,82,315	6,01,453
Leave Encashment Receivable from LIC		4,81,110	2,88,741
		2,65,40,293	1,52,70,887

Income receivable constitutes accruals towards various services provided for the month of March.

15) Revenue from Operations	Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Sale of Products		
Income from Sale of Software	27,00,000	2,02,34,134
Sale of Services		
Income from Information Technology (IT) Services	67,87,22,477	45,82,57,542
Income from National Contact Centre	9,01,19,628	8,66,84,700
	77,15,42,105	56,51,76,376
16) Other Income	Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Interest on Fixed Deposits (TDS C.Y. ₹ 12,99,003/-, P.Y. ₹ 7,23,022/-)	1,87,17,130	1,24,78,679
Interest on Income Tax Refund	2,18,16,897	68,60,544
Miscellaneous Income	10,000	2,500
Provisions Written Back	1,03,256	88,961
	4,06,47,283	1,94,30,684
17) Employee Benefits Expenses	Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Salary, Incentives & Allowances	47,25,02,051	41,20,45,321
Contribution to Gratuity	84,84,899	61,80,489
Contributions to PF	2,57,34,388	2,28,32,838
Contributions to ESIC	30,80,841	21,61,106
Contributions to LWF	50,564	41,629
Staff Welfare Expenses	3,05,44,256	2,45,64,833
	54,03,96,999	46,78,26,216
18) Expenses for Information Technology (IT) Services	Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Electricity Charges	33,19,660	11,17,270
Communication Charges	36,42,893	33,73,268
Printing & Stationery	12,54,248	15,35,533
Office & Maintenance	20,10,934	9,19,979
Travelling & Conveyance	86,87,941	93,28,024
Motor Car Expenses	5,26,293	3,76,089
Professional / Technical Fees paid	64,51,705	41,63,999
Foreign Exchange Loss	5,67,548	-----
Postage & Courier Charges	54,320	74,946
Premises Rent	64,03,520	20,04,423
Loss on Asset Transfer	14,006	-----
Rent, Rates & Taxes	93,978	14,149
Miscellaneous Expenses	2,13,620	58,438
Fees for Tender Document	-----	19,900
Recruitment Expenses	37,06,808	26,22,815
Bank Charges	1,20,927	1,56,057
Meeting Expenses	53,982	25,863
Insurance Charges	513	-----
Debtors w/o	11,87,819	92,19,765
Provision for Doubtful Debts	6,36,000	8,25,985
Registration Charges	57,536	40,000
Gifts and Other Expenses	46,964	-----
Repair and Maintenance		
Vehicle	38,822	1,27,599
Other	60,711	56,067
Subscription Fees Paid	85,976	47,033
Training, Seminar and Conference Expenses	2,12,335	5,04,335
Marketing & Advertisement Expenses	1,98,953	-----
	3,96,48,012	3,66,11,537

19) Expenses for National Contact Centre		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Communication Charges		1,09,279	1,14,993
Printing & Stationery		98,659	1,65,811
Office & Maintenance		18,18,208	21,53,277
Travelling & Conveyance		75,217	1,00,142
Rent, Rates & Taxes		12,528	180
Legal & Professional Fees		3,77,830	3,51,878
Hiring Charges (Equipment)		-----	800
Postage & Courier Charges		11,905	7,956
Meeting Expenses		-----	160
Miscellaneous Expenses		7,906	6,809
Recruitment Expenses		1,46,900	33,800
Gifts and Other Expenses		-----	-----
Repair and Maintenance		120	1,105
		26,58,552	29,36,911
20) Expenses for OBST		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Printing & Stationery		27	-----
Travelling & Conveyance		-----	34,009
Legal & Professional Fees		3,37,735	12,50,750
Postage & Courier Charges		40	25
Rent, Rates & Taxes		124	-----
Miscellaneous Expenses		37,296	1,49,184
Litigation Payout		3,25,000	-----
		7,00,222	14,33,968
21) Administration & Other Expenses		Year ended 31 st Mar 17 (₹)	Year ended 31 st Mar 16 (₹)
Communication Charges		2,29,752	2,52,695
Printing & Stationery		9,66,200	8,62,254
Office & Maintenance		9,23,142	6,21,307
Travelling & Conveyance		1,01,002	68,698
Network Management Cost		63,996	63,996
Legal & Professional Fees Paid		21,25,955	20,16,642
Payment to the Auditor as:			
Statutory Audit Fees		1,50,000	1,00,000
Tax Audit Fees		35,000	35,000
Internal Audit Fees		2,50,000	2,50,000
Out of Pocket Expenses		17,500	20,000
Insurance Charges		1,08,443	34,224
Rent, Rates & Taxes		13,14,755	9,07,594
Miscellaneous Expenses		1,29,381	90,520
Bank Charges & Commission		2,341	630
Meeting Expenses		24,538	13,046
Postage & Courier		27,565	3,942
Subscription Fees		1,500	1,30,424
Gifts & Other Expenses		8,06,914	6,15,645
Directors' Siting Fees & Other Exp		4,29,293	5,24,531
Recruitment Expenses		3,000	9,900
CSR Expenses		10,29,329	5,00,000
Repair and Maintenance			
Electricals		-----	19,350
Others		2,510	-----
Training, Seminar and Conference Expenses		71,517	1,18,962
Advertisement Expenses		90,666	-----
		89,04,299	72,59,360

22) Related Party Transactions

Year ended 31st Mar 17 (₹)

Year ended 31st Mar 16 (₹)

(i) Shri M. A. Khan (Key Management Personnel) (On Deputation from IDBI Bank Ltd.)		
Salary	18,47,874	-----
(ii) Shri Inderpal S. Kalra (Key Management Personnel) (On Deputation from IDBI Bank Ltd.)		
Salary	14,35,845	34,93,901
(iii) IDBI Federal Life Insurance Co. Ltd.		
(Holding company has beneficial ownership i. e. IDBI Bank Ltd.)		
Information Technology Services	2,28,38,540	2,48,54,252

*The above figure does not include company's contribution to retirement benefits

23) Earnings Per Share

Year ended 31st Mar 17 (₹)

Year ended 31st Mar 16 (₹)

(a) Profit after Tax (In ₹)	13,95,11,616	4,22,09,205
(b) Weighted No. of Equity Shares	1,31,28,207	1,31,28,207
(c) Nominal Value of Equity Share (In ₹)	10	10
(d) Basic Earning per share (In ₹)	10.63	3.22

During the year, there was no dilution to Basic Earning Per Share, since there are no outstanding dilutive shares.

24) Foreign Currency Transactions (In ₹) (Accrued)

Year ended 31st Mar 17 (₹)

Year ended 31st Mar 16 (₹)

Earnings in Foreign Currency		
Information Technology Services	2,71,09,103	2,84,08,415
Expenditure in Foreign Currency		
Travel allowances to employees on Overseas Project	41,83,265	54,17,153
Overseas Business Development Expenses	-----	-----
Overseas Conference & Subscription Expenses	-----	80,788
	41,83,265	54,97,941

25) Leases

Year ended 31st Mar 17 (₹)

Year ended 31st Mar 16 (₹)

The company has entered into operating lease for office premises. The total of future minimum lease payments under non-cancellable operating leases as determined by the lease agreements are as follows:

Particulars		
Not later than one year	92,40,000	5,06,760
Later than one year and not later than five year	3,47,27,000	-----
Later than five years	-----	-----
Total of future minimum lease payments	4,39,67,000	5,06,760
Total minimum lease payments recognized in the Profit and Loss		
Account under the head Hiring Charges	64,03,520	20,05,223

26) Segmental Reporting

The company operates in two segments i.e. Information Technology Services & National Contact Centre. These Segments have been identified in line with AS-17 on Segment Reporting after considering the nature and risk profile of the products and services, the target customer profile, the organization structure and the integral reporting system of the company. The Company has disclosed business segment as the Primary Segment. The company is considered to operate only in Domestic Segment, as the export services revenue is negligible so there are no reportable Geographical segments. Segment revenue, results, assets and liabilities include the amounts identifiable to each of the segments as also amounts allocated as estimated by the management. Assets and liabilities that cannot be allocated to identifiable segments are grouped under unallocated assets and liabilities.

Particulars

A) Segment Revenue

Year ended 31st Mar 17 (₹)

Year ended 31st Mar 16 (₹)

Information Technology	68,14,22,477	47,84,91,676
Call Centre	9,01,19,628	8,66,84,700
	77,15,42,105	56,51,76,376
Less: Intersegment Revenue	-----	-----
Income From Operations	77,15,42,105	56,51,76,376

B) Segment Results	Year ended 31st Mar 17 (₹)	Year ended 31st Mar 16 (₹)
Information Technology	19,36,95,715	6,16,05,173
Call Centre	1,77,22,651	1,66,20,713
	21,14,18,366	7,82,25,886
Less: Other Unallocable Expenditure net of Unallocable Income	-----	1,44,13,833
Add: Other Unallocable Income net of Unallocable Expenditure	25,60,286	-----
Total Profit Before Tax	21,39,78,652	6,38,12,053
Less: Income Tax	7,44,67,036	2,16,02,848
Net Profit For The Year	13,95,11,616	4,22,09,205

C) Segment Assets	Year ended 31st Mar 17 (₹)	Year ended 31st Mar 16 (₹)
Information Technology	7,42,11,231	2,81,51,946
Call Centre	75,37,228	73,49,408
Unallocated Corporate Assets	41,44,08,727	36,18,08,218
	49,61,57,186	39,73,09,572

D) Segment Liabilities	Year ended 31st Mar 17 (₹)	Year ended 31st Mar 16 (₹)
Information Technology	2,93,14,568	1,20,20,981
Call Centre	36,09,655	31,46,739
Unallocated Corporate Liabilities	25,35,180	56,52,881
	3,54,59,403	2,08,20,601

Capital Employed (Segment Assets - Segment Liabilities)

Information Technology	4,48,96,663	1,61,30,965
Call Centre	39,27,573	42,02,669
Unallocated	41,18,73,547	35,61,55,337
	46,06,97,783	37,64,88,971

E) Capital Expenditure	Year ended 31st Mar 17 (₹)	Year ended 31st Mar 16 (₹)
Information Technology	2,89,80,684	13,25,125
Call Centre	-----	26,733
	2,89,80,684	13,51,858

F) Depreciation	Year ended 31st Mar 17 (₹)	Year ended 31st Mar 16 (₹)
Information Technology	56,72,878	85,28,253
Call Centre	2,29,774	4,74,258
	59,02,652	90,02,511

27) Contingent Liabilities & Commitments

(i) Contingent Liabilities

(a) Gurantees;

The Company has issued Bank guarantee of ₹ 100 lacs to customers for its IT Projects. As at 31st March 2017, the contingent liabilities under these guarantees amounted to ₹ 100 lacs (P.Y.: ₹ 104.67 lacs).

(b) Salary Payable to Ex employees

The Company may have to pay compensation amounting to ₹ 3.04 Lakh to Ex employees of the erstwhile OBST Vertical as per the Jaipur High Court Order and the Regional Labour Commissioner Delhi. The same is being contested by the company.

(ii) Commitments

C Y. ₹ 46.10 lakhs towards partial contract value for software purchases. PY. Nil

28) Balance in Creditors, Debtors and Loans & Advances are taken as per books and are subject to confirmation/reconciliation.

29) There are no dues which are payable to micro & small scale enterprises as defined under MSMED Act, 2006.

30) Disclosure pursuant to Accounting Standard (AS) 15 (Revised) Employee Benefits

I. ASSUMPTIONS:			
	1/4/2016 - 31/3/2017	1/4/2015 - 31/3/2016	
DISCOUNT RATE [PREVIOUS]	7.95%	8.08%	
RATE OF RETURN ON PLAN ASSETS [PREVIOUS]	7.95%	8.08%	
SALARY ESCALATION [PREVIOUS]	7.00%	7.00%	
ATTRITION RATE [PREVIOUS]	2%-3%	2%-3%	
DISCOUNT RATE [CURRENT]	7.71%	7.95%	
RATE OF RETURN ON PALN ASSETS [CURRENT]	7.71%	7.95%	
SALARY ESCALATION [CURRENT]	7.00%	7.00%	
ATTRITION RATE [CURRENT]	2%-3%	2%-3%	
II. TABLE SHOWING CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:			
	1/4/2016 - 31/3/2017	1/4/2015 - 31/3/2016	
PRESENT VALUE OF BENEFIT OBLIGATION AS AT THE BEGINNING OF THE CURRENT PERIOD	3,44,65,720	2,85,57,525	
INTEREST COST	27,40,025	23,07,448	
CURRENT SERVICE COST	67,28,041	58,12,083	
LIABILITY TRANSFERRED IN (LIABILITY TRANSFERRED OUT)	----	----	
(BENEFIT PAID)	(29,33,714)	(27,31,711)	
ACTUARIAL (GAINS) / LOSSES ON OBLIGATIONS	12,87,805	5,81,328	
Due to change in financial assumptions			
ACTUARIAL (GAINS) / LOSSES ON OBLIGATIONS	6,73,853	(60,953)	
Due to experience			
PRESENT VALUE OF BENEFIT OBLIGATION AS AT THE END OF THE CURRENT PERIOD	4,29,61,730	3,44,65,720	
III. TABLE OF FAIR VALUE OF PLAN ASSETS:			
	1/4/2016 - 31/3/2017	1/4/2015 - 31/3/2016	
FAIR VALUE OF PLAN ASSETS AT THE BEGINNING OF THE PERIOD	3,36,51,278	2,81,07,625	
EXPECTED RETURN ON PLAN ASSETS	26,75,277	22,71,096	
CONTRIBUTIONS	81,97,626	58,15,947	
TRANSFER FROM OTHER COMPANY (TRANSFER TO OTHER COMPANY)	----	----	
(BENEFIT PAID)	(29,33,714)	(27,31,711)	
ACTUARIAL GAIN / (Losses) ON PLAN ASSETS	2,69,548	1,88,321	
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	4,18,60,015	3,36,51,278	
IV. TABLE OF RECOGNITION OF ACTUARIAL GAINS / LOSSES:			
	1/4/2016 - 31/3/2017	1/4/2015 - 31/3/2016	
ACTUARIAL (GAINS) / LOSSES ON OBLIGATION FOR THE PERIOD	19,61,658	5,20,375	
ACTUARIAL (GAINS) / LOSSES ON ASSET FOR THE PERIOD	(2,69,548)	(1,88,321)	
SUBTOTAL	16,92,110	3,32,054	
ACTUARIAL (GAINS) / LOSSES RECOGNIZED IN INCOME & EXPENSES STATEMENT	16,92,110	3,32,054	
V. ACTUAL RETURN ON PLAN ASSETS:			
	1/4/2016 - 31/3/2017	1/4/2015 - 31/3/2016	
EXPECTED RETURN ON PLAN ASSETS	26,75,277	22,71,096	
ACTUARIAL GAINS / (LOSSES) ON PLAN ASSETS	2,69,548	1,88,321	
ACTUAL RETURN ON PALN ASSETS	29,44,825	24,59,417	
VI. AMOUNT RECOGNIZED IN THE BALANCE SHEET:			
	1/4/2016 - 31/3/2017	1/4/2015 - 31/3/2016	
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	4,18,60,015	3,36,51,278	
(PRESENT VALUE OF BENEDIT OBLIGATION AS AT THE END OF THE PERIOD)	(4,29,61,730)	(3,44,65,720)	
DIFFERENCE	(11,01,715)	(8,14,442)	
NET (LIABILITY) / ASSET RECOGNIZED IN THE BALANCE SHEET	(11,01,715)	(8,14,442)	

VII. NET INTEREST COST FOR THE PERIOD:			1/4/2016 - 31/3/2017	1/4/2015 - 31/3/2016
PRESENT VALUE OF BENEFIT OBLIGATION AT THE BEGINNING OF THE PERIOD			3,44,65,720	2,85,57,525
FAIR VALUE OF PLAN ASSETS AT THE BEGINNING OF THE PERIOD			(3,36,51,278)	(2,81,07,625)
NET LIABILITY / (ASSET) AT THE BEGINNING			8,14,442	4,49,900
INTEREST COST			27,40,025	23,07,448
(EXPECTED RETURN ON PLAN ASSETS)			(26,75,277)	(22,71,096)
NET INTEREST COST FOR THE CURRENT PERIOD			64,748	36,352
VIII. EXPENSES RECOGNIZED IN THE INCOME STATEMENT:			1/4/2016 - 31/3/2017	1/4/2015 - 31/3/2016
CURRENT SERVICE COST			67,28,041	58,12,083
INTEREST COST			64,748	36,352.00
(EXPECTED RETURN ON PLAN ASSETS)				
ACTUARIAL (GAIN) / LOSSES			16,92,110	3,32,054
EXPENSE RECOGNIZED IN THE INCOME STATEMENT			84,84,899	61,80,489
IX. BALANCE SHEET RECONCILIATION:			1/4/2016 - 31/3/2017	1/4/2015 - 31/3/2016
OPENING NET LIABILITY			8,14,442	4,49,900
EXPENSE AS ABOVE			84,84,899	61,80,489
NET TRANSFER IN			----	----
(NET TRANSFER OUT)			----	----
(EMPLOYER'S CONTRIBUTION)			(81,97,626)	(58,15,947)
NET LIABILITY / (ASSET) RECOGNIZED IN THE BALANCE SHEET			11,01,715	8,14,442
X. OTHER DETAILS:			1/4/2016 - 31/3/2017	1/4/2015 - 31/3/2016
NO OF MEMBERS			1,217	977
SALARY PM			1,82,40,831	1,48,47,582
PRESCRIBED CONTRIBUTION FOR NEXT YEAR (12 MONTHS)			93,22,328	75,42,483
XI. CATEGORY OF ASSETS:			1/4/2016 - 31/3/2017	1/4/2015 - 31/3/2016
GOVERNMENT OF INDIA ASSETS			----	----
CORPORATE BONDS			----	----
SPECIAL DEPOSITS SCHEME			----	----
EQUITY SHARES OF LISTED COMPANIES			----	----
PROPERTY			----	----
INSURER MANAGED FUNDS			4,18,60,015	3,36,51,278
OTHER			----	----
TOTAL			4,18,60,015	3,36,51,278
XII. EXPERIENCE ADJUSTMENT:			1/4/2016 - 31/3/2017	1/4/2015 - 31/3/2016
ON PLAN LIABILITY (GAINS) / LOSSES			6,73,853	(60,953)
ON PLAN ASSETS (LOSSES) / GAINS			2,69,548	1,88,321

31) Details of Cash transacted from 8th Nov' 16 to 30th Dec' 16

Closing Cash balance as on 8th Nov 2016				
in Specified Bank Notes*			----	
in Other denominations			12,658	12,658
Cash Expended				
in Specified Bank Notes			----	
in Other denominations			- 33,290	- 33,290
Cash Withdrawn from bank				
in Other denominations			34,978	34,978
Closing Cash Balance as on 30th Dec 2016				
in Specified Bank Notes			----	
in Other denominations			14,346	14,346

Company maintains imprest petty cash system *Specified Bank Notes (500 & 1,000 denomination)

32) Figures of previous year have been regrouped and recast wherever necessary to make them comparable with the current year's figures.

Cash Flow Statement for the year ended 31st March 2017.

	2016-17		2015-16	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Cash flow from operating activities				
Net Profit / Loss before Income tax & Extra ordinary items		21,39,78,652		5,98,32,920
Adjustment for:				
Depreciation Charges for the year	59,02,652		90,02,511	
Loss on Asset Transfer	14,006		-----	
Interest on Fixed Deposits	(1,87,17,130)		(1,24,78,679)	
Interest on Overdraft	-----	(1,28,00,472)	17,990	(34,58,178)
Operating Profit before working capital changes		20,11,78,180		5,63,74,742
Decrease / (Increase) in Sundry Debtors	(94,66,065)		6,192,759	
Decrease / (Increase) in Loans & Advances	(1,09,21,943)		(54,38,507)	
(Decrease) / Increase in Current Liabilities	1,46,38,797	(57,49,211)	70,72,521	78,26,773
Net cash flow from operating activities		19,54,28,969		6,42,01,515
(Payment) / Refund of Income Tax		64,49,151		88,24,578
Cash flow from Investment Activities				
Investment in Fixed deposit with maturity exceeding three months	(17,21,83,241)		(6,64,57,259)	
Interest on Fixed Deposits	1,32,32,453		74,69,169	
Amounts Paid to CWIP Vendors	(27,12,861)			
Purchase of Fixed Assets (Net)	(2,89,80,683)	(19,06,44,332)	(13,51,858)	(6,03,39,948)
Cash flow from Financing Activities				
Interest on Overdraft	-----		(17,990)	
Dividend Paid	(4,59,48,725)	(4,59,48,725)	-----	(17,990)
Net Increase / (Decrease) in cash and cash equivalents		(3,47,14,937)		1,26,68,155
Opening cash and cash equivalent		6,85,34,565		5,58,66,410
Closing cash and cash equivalent		3,38,19,628		6,85,34,565
Net Increase / (Decrease) in cash and cash equivalents		(3,47,14,937)		1,26,68,155

Note: The Cashflow Statement has been prepared using of Indirect Method as prescribed in AS - 3 issued by ICAI

As per our report attached.
For Lakhani & Lakhani
Chartered Accountants

For and on behalf of the Board

Sd/-
Shri Deepak M. Mojindra
(Partner)
Membership No.: 129704
Firm Registration No.: 115728W

Sd/-
Shri M. A. Khan
Managing Director & CEO






















Sd/-
Shri K. P. Nair
Chairman

Place: Navi Mumbai.
Date: 27th April 2017

Sd/-
Shri Ritesh Kumar Jain
Company Secretary

Sd/-
Shri Dinyar Sutaria
CFO, Sr. VP - Admin & HR

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		 Karnataka State Natural Disaster Monitoring Centre
		

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

Tel: +9122 66552849 | Email: business.solutions@idbiintech.com | www.idbiintech.com

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Mafatlal Center, 5th floor, Nariman Point,
Mumbai 400021, Maharashtra, India.

Main Office:

IDBI Intech Ltd.

IDBI Tower, 18th floor, Cuffe Parade, Colaba,
Mumbai 400005, Maharashtra, India.

Development Centres:

Mumbai

IDBI Intech Ltd. IDBI Tower, BKC,
Mumbai, Maharashtra, India.

Chennai

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

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Hyderabad

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Gachibowli, Hyderabad, Telangana, India.

Pune

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Pune, Maharashtra, India.