

18th Annual Report

2017 - 18

Complete IT Solutions for BFSI



**Innovative Products
Banking Products
Services**



Qualified and
Experienced



Development
Centres in 4 cities



ISO 9001:2008
Certified

Vision

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

Mission

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



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Board of Directors



Shri Krishna Prasad Nair
Chairman



Dr. A. S. Ramasastry
Independent Director



Shri A. P. Hota
Independent Director



Shri K R Murali Mohan
Managing Director & CEO

Company Secretary

Shri. Ritesh Kumar Jain

Registered Office

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

Auditors

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

Banker

IDBI Bank Ltd. Mumbai

Dear Shareholders,

On behalf of the Board of Directors and the Management Team of IDBI Intech, I am pleased to present the 18th Annual Report of the Company.

Your company has recorded total income of ₹ 8,031.94 lacs and Profit of ₹ 301.03 lacs for the financial year ended March 31, 2018.

Your Company is the IT backbone of IDBI Bank and its subsidiaries & Associate companies. Being abreast with the IT developments in the BFSI sector, your Company resolves to provide optimal and cost effective state-of-art IT solutions to its clients to compliment their business processes. Besides providing all the regular technology support to IDBI Bank, your company has also been instrumental in providing innovative products to the Bank.

Being committed to the creation of long-term value, we, at your company, will continue to look for new and effective ways to meaningfully engage with its customers and stakeholders. Your Company is taking definitive steps to create an enabling environment for emerging as a trusted IT company for all its clients.

I acknowledge with sincere thanks the valuable guidance and continuing contribution extended by IDBI Bank and the Board of Directors and thank all our clients for their unswerving belief in our abilities. Also, I would like to complement all the employees for their untiring and inspiring efforts which they put into their work - indeed a pride for all of us.

With Warm Regards

Sd/-

K R Murali Mohan

Managing Director & CEO

IDBI Intech Limited

CIN No. U72200MH2000GOI124665

NOTICE is hereby given that the Eighteenth Annual General Meeting of IDBI Intech Limited will be held on Tuesday, September 25, 2018 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:

I) 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, 2018 and reports of Directors' and Auditor's thereon.

II) To confirm the payment of Interim Dividend for the year ended 31st March 2018.

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 2018 of ₹ 1 per equity share amounting to ₹ 1,31,28,207 (Rupees One Crore Thirty One Lac Twenty Eight Thousand Two Hundred Seven Only) paid to the Members whose names appeared on the Register of Members on March 15, 2018 be and is hereby approved and confirmed."

III) To appoint Director in place of Shri K. P. Nair, who retires by rotation and, being eligible, offers himself for reappointment.

IV) 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, the Board of Directors be and are hereby authorized to appoint Statutory Auditors as per the directions of the Comptroller and Auditor General of India for the Financial Year 2018-2019 and that the Auditors so appointed shall hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and are hereby also authorised to decide on the remuneration payable to the Auditors as per the recommendation of Audit Committee of the Board and inform the same to the Comptroller and Auditor General of India."

SPECIAL BUSINESS

V) To appoint Shri A. P. Hota (DIN: 02593219) 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, Shri A. P. Hota was appointed as an Additional Director (Independent) by Circular Resolution passed by the Board of Directors on September 22, 2017, and who holds office only upto the date of this Annual General Meeting of the Company be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years from the date of the 18th Annual General Meeting as recommended by the Board of Directors at its meeting held on July 31, 2018."

Place: Navi Mumbai

Date: July 31, 2018

By order of the Board of Directors,

For IDBI Intech Limited

Sd/-

Ritesh Kumar Jain

Company Secretary

- 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. IV to V are annexed hereto.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed on September 25, 2018.
- 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 1 p.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 attached to this Notice.

By order of the Board of Directors,
For IDBI Intech Limited
Sd/-

Ritesh Kumar Jain
Company Secretary

Place: Navi Mumbai
Date: July 31, 2018

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 No. IV & Item No. V of the accompanying Notice:

Item No. IV

To appoint Statutory Auditors and fix their remuneration.

Pursuant to Section 139(5) & other applicable sections of Companies Act, 2013, the Auditors 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.

The Statutory Auditors of the Company for the year 2018-19 will be appointed by CAG of India and the members may authorise the Board of Directors to appoint the Statutory Auditors as per direction of CAG and also fix an appropriate Remuneration of Auditors as may be deemed fit by the Board.

Item No. V

To appoint Shri A. P. Hota (DIN: 02593219) as Independent Director for the term of 3 years.

Shri A. P. Hota was appointed as Additional Director (Independent) on the Board by circular resolution passed by the Board of Directors on September 22, 2017. Pursuant to section 161 of the Companies Act, 2013, Shri A. P. Hota 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 Shri Hota 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 Shri A. P. Hota 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, Shri Hota fulfils the conditions specified in the Act for appointment as Independent Director.

None of the Director, except Shri A. P. Hota is in anyway concerned or interested in the Resolution.

Brief Profile:

Mr. A. P. Hota, ex-Managing Director & CEO of National Payments Corporation of India (from August 2010 to August 10, 2017) was a career central banker for 27 years. A significant part of his career has been in the area of design and implementation of Payment systems in India.

He has played a key role in implementation of MICR technology in Cheque Clearing, Electronic Funds Transfer, Automated Clearing House and Cheque Truncation System in India. His research document titled "RTGS System in USA - Lessons for India" as a part of IIB Diamond Jubilee Overseas Fellowship in 1997, was the starting point of RTGS design and implementation in India. Mr. Hota had headed the Department of Payment and Settlement Systems in Reserve Bank from March 2005 to July 2009 during which the 'Payment and Settlement Systems Act' was legislated, NEFT system was introduced and there was rapid expansion in the access and usage of electronic payment systems. He also played a key role in widening the use of electronic payments in India.

In August 2010, he joined as the Managing Director & CEO of National Payments Corporation of India (NPCI) which has been set up by banks in India under the aegis of Indian Banks' Association and support and guidance of Reserve Bank of India to provide central infrastructure for various retail payment systems in the country, including card payments. Within a year of his joining NPCI, the next generation remittance service - Interbank Mobile Payment Service was launched where 24 x 7 real-time money transfer was enabled. Under his leadership, NPCI has launched India's own card scheme 'RuPay' in record three years' time which is accepted on all three channels, viz. ATM, PoS and eCommerce with an issuance figure of 118 Million cards. He was conferred the 'Aadhaar Excellence Award' for his contribution to Aadhaar Enabled Payment System by the former Prime Minister Dr. Manmohan Singh on the 2nd Anniversary of UIDAI. He was also conferred the 'Skoch Financial Inclusion Award 2013' for Aadhaar Payment Bridge System (ABPS) and Immediate Payment Service (IMPS) at the hands of Shri Nandan Nilekani, Chairman UIDAI and also the Skoch Renaissance Award for 'RuPay' at the hands of Shri P. Chidambaram, Former Minister of Finance. On May 8, 2014, Mr. Hota received a commemorative memento from the hands of the former President of India, Shri Pranab Mukherjee on the occasion of dedication of 'RuPay' to the nation at Rashtrapati Bhavan. He was also a member in various Committees of the Government of India and Reserve Bank of India (RBI) and has contributed to policy and decision-making processes in Payment Systems and Financial Inclusion in particular.

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

Sd/-

Ritesh Kumar Jain
Company Secretary

Place: Navi Mumbai
Date: July 31, 2018

Directors' Report

To,
The Members of IDBI Intech Limited

Your Directors are pleased to present the 18th Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended March 31, 2018.

Financial Performance:

The highlights of the company's financial performance for the year ended March 31, 2018 with comparative figures for the previous year are given below:

Financial Highlights:

Particular As at Year end	Amount (₹ in Lakhs)	
	2017-18	2016-17
Income from operations	7,844.95	7,715.42
Other Income	186.99	406.47
Total Income	8,031.94	8,121.89
Expenditure	7,481.49	5,923.08
Profit before Depreciation, Interest and Tax	550.45	2,198.81
Less: Depreciation	86.51	59.03
Profit before Interest and Tax	463.94	2,139.78
Less: Financial Charges	0.98	--
Profit Before Tax	462.96	2,139.78
Less: Provision for Taxation	173.19	721.55
Add : Deferred Tax Income / (Expenditure)	11.26	(23.12)
Profit After Tax	301.03	1,395.11
Add: Prior Period Income / (Expenditure) (Net)	-----	-----
Profit for the Year	301.03	1,395.11

Business Overview

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

Being abreast with the IT happenings in the BFSI sector, Intech resolves to provide optimal and cost effective state-of-art IT solutions to its clients to compliment their business processes. Intech, recently, has extended its Anti Money Laundering (i-AML) solution to the Insurance sector to enable compliance with the regulatory requirements. This product has been made operational at IDBI Federal Life Insurance Co. Ltd. during the year.

During the Financial Year 2017-2018, Intech has embarked upon and delivered various IT projects to its clients. Some of the specific initiatives have been enumerated below:

A) Initiatives for Customer Service

Net Banking Platform Porting to AIX & ORACLE

The platform porting of the internet banking applications (both retail and corporate) has been completed. The performance of the application has improved, thereby, enhancing the customer experience. The system has been made more robust and scalable.

New Mobile Banking Project Implementation

The new mobile banking project 'GO Mobile +' has been implemented on 'IBM MobileFirst', product of IBM. This 'App' has been made available on major Smartphone devices (Android & iOS). The features and functionalities have been reoriented and enhanced for better customer experience. This 'App' is very popular amongst the Bank's customers.

Aaiye Baat Karein

This Application captures the customer feedback and suggestions provided by the customer during the monthly interaction. This helps the Bank to put in place the necessary improvement in products / systems / processes.

B) Green Initiatives

ATM Debit Card Green Pin generation through SMS and Missed Call channels - Green PIN is a solution for paperless PIN generation on real time basis, that enables the Bank's customers securely generate card PINs in electronic form through delivery channels like, SMS, Missed Call services on a 24 X 7 basis.

LAMS Application

Loans Application Management System (LAMS) is web based application for real time tracking of all the loan processes. LAMS is a centralized system to capture brief particulars of applications

received at various locations for Loan / Advances and is accessible by the Bank's customers too.

e-Mandate Management System

In order to reduce the manual intervention and time, a straight through processing system has been developed for the mandate image & CBS Signature verification

C) Core System Improvements

Finacle 10.2.18 Migration DIFC instance - The Dubai instance of Finacle has been migrated to latest version. The new version, (Finacle 10.2.18) has many new features with new add-on modules along with technological changes.

D) New Initiatives

My Bank My Lead

To increase the business of IDBI Bank, a unique mobile app is developed to convert the unstructured leads into business. Through this mobile App, Bank staff and Outbound Sales Team (OBST) can record and assign leads to specific branch or bank user. The same is integrated with a desktop-based lead management application which enables the business teams to monitor business growth. A unique reward point program was also launched by the Bank in the January to March 2018 quarter using this App.

BBPS through Internet Banking

Bharat Bill Payment System is an anytime anywhere bill payment solution for all customers which has been integrated with internet banking for providing convenient, speedy and uniform experience.

E) Government Schemes

Goods and Service Tax (GST)

The GST payment and collection solution has been implemented across various applications used in the Bank. Changes have been carried out in the channel applications for seamless compliance with directions of the tax authorities. Bank has been able to garner huge float due to the automation of the collection module.

Bihar CTMIS Online Tax Module

The internet banking channels (Retail and Corporate) has been integrated with the Government of Bihar portal for the collection of taxes.

WPS - Wage Protection System (Government of Kerala)

WPS - A Government of Kerala initiative for distributing the wages of the labourers. An interface has been developed to pull the data pertaining to the Bank's customers for direct credit to their account. The Bank is able to bring more and more employers on board and offer them this facility.

Automation of Digital Dashboard

Meity, GOI monitors growth of Digital transactions in the country online in accordance with the target of 2,500 crore digital transactions for FY 2017-18. In this connection, an application has been developed through which the system directly collates data on digital transactions for IDBI Bank from various systems and provides an upload directly to Meity portal.

Infrastructure Services

Intech manages the state-of-the-art Tier III Data Center, Near DR Site and Disaster Recovery Site of IDBI group companies. In order to ensure the continuous availability of IT infrastructure, Intech has setup an efficient, on-demand and scalable IT infrastructure platform, harnessing the power of cutting edge cloud technology. To secure the customer data, Intech has deployed the latest Oracle security solutions like Real Application Cluster, Data Guard, Advanced Compression and Data Masking for IDBI Bank.

Network Infrastructure

Redundant network backbone has been deployed and managed by Intech, for the Bank to provide seamless access to critical banking applications on a 24 X 7 basis.

During the year, Intech upgraded the core data centre network infrastructure with high speed gigabyte switches. Application Centric Infrastructure (ACI), a software-defined network (SDN) has been implemented. This implementation has helped to virtualise data center across seismic zone. Applications can be made available with minimum downtime in case of any disaster. With SDN, Bank can increase business agility through network optimization, business protection, and cloud enablement.

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

- Implemented Advance Persistent Threat (APT) prevention tool to detect zero day malware attacks.
- Deep packet inspection tool has been implemented for all Internet facing applications to prevent attacks based on packet manipulation.
- Web application firewall has been implemented for all Internet facing application for protection against application layer attacks
- Upgradation of SOC to enable 24/7 monitoring of swift system usage

Implementation of Network Access Control (NAC) solution is under process to prevent rogue devices from entering our network.

External Business

Some of the projects implemented for external clients during the period April 2017 - March 2018 are as follows:

- a) i-AML implementation for Fino Payments Bank and Oriental Bank of Commerce
- b) Finacle training for Mumbai branch of Emirates NBD, a Dubai based Bank.
- c) NEFT customisation for Oriental Bank of Commerce, ICICI Bank and Bank of Bahrain & Kuwait.

Following projects are under implementation:

- 1) i-AML for NSDL Payments Bank and IDBI Federal Life Insurance Co. Ltd.
- 2) i-IRAC for South Indian Bank.
- 3) i-IRAC for Tamilnad Mercantile Bank.
- 4) i-Connect NEFT for Oriental Bank of Commerce.
- 5) i-Connect NGRTGS for J&K Grameen Bank

Partnerships / Alliances

In order to have a strategic advantage, Intech has entered into collaborative partnerships and agreements with various renowned IT companies. During the period April 2017 - March 2018, the following tie-ups have been entered into:

- Joint Services Agreement with Edgeverve (Infosys) authorising Intech for Finacle Training, Implementation and Customization.
- Tie-up with LexisNexis Risk Solutions for Watchlist Data Feed Services used for screening of names in AML solution
- Reseller Agreement with Board PAC, a Sri Lankan company for marketing their e-Meetings solution "BoardPAC" in the BFSI sector.
- JSA / Reseller agreement with Renovite for their Software Testing product, REXA, a functional testing tool. The tool is being customised for carrying out functional testing of Finacle 10.x.
- Joint Services Agreement with Natural Support Consultancy Pvt. Ltd for Mutual marketing of each other's products.
- A MoU with Customer Centria Enterprise Solutions Pvt. Ltd., for marketing of their CRM solution.

Human Resource Development

HR initiatives taken during F.Y. 2017-18

Employee Benefits:

Learning & Development initiatives for employees were organised. Topics covered were Java & Agile development, 'Payment Systems, NEFT & RTGS', Software Development Life Cycle, Oracle & PL/SQL. Officials were nominated for open programmes on Leadership, ISO 9001:2015, Recovery & NPA Management, Workshop on Android Development, Programme on Security Operations and GST Implementation. Induction & General banking programs & Prevention of Sexual Harassment were held at regular intervals.

Festivals like Ganeshotsav & Navratri were celebrated. Various competitions were also held during Navratri. Annual Sports day

was conducted when competitions in Athletics, Chess, Carrom and Cricket were held for the employees. Health initiatives like Diabetes Awareness and Management Session, BMI & General Health check up camp were organised for benefit of employees.

STATUTORY DISCLOSURE U/s134 of Companies Act 2013

a) Extract of Annual Return

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

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

Board of Directors as on March 31, 2018:

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

1) Board Meetings

During the Financial Year ended March 31, 2018, five meetings of the Board of Directors were held, as follows:

Sr. No.	Date	Total no. of Directors	No. of Directors Present
1)	April 27, 2017	5	5
2)	August 22, 2017	3	3
3)	October 17, 2017	4	4
4)	November 21, 2017	4	4
5)	March 15, 2018	4	3

2) Audit Committee of the Board

The Audit Committee of the Board comprised of the following Directors as on March 31, 2018:

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

During the Financial Year ended March 31, 2018, four meetings of the Audit Committee of the Board were held, as follows:

Sr. No.	Date of Meeting	Total no. of Directors	No. of Directors Present
1)	April 27, 2017	5	5
2)	August 22, 2017	3	3
3)	October 17, 2017	4	4
4)	March 15, 2018	4	3

3) Nomination & Remuneration Committee of the Board Meeting

The Nomination & Remuneration Committee of the Board comprises of following Directors as on March 31, 2018:

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

During the Financial Year ended March 31, 2018, four 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 27, 2017	3	2
2)	October 17, 2017	3	3
3)	November 21, 2017	3	3
4)	March 15, 2018	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, 2018:

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

During the Financial Year ended March 31, 2018, 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)	August 22, 2017	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, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) Accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the period ended on March 31, 2018.
- 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 a 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 Patel & Deodhar, Chartered Accountants (FRN: 107644W), Mumbai were appointed as Statutory Auditors for the Financial Year 2017-18. 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 2017-18.

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

No contracts or arrangement as per sec 188(1) with related parties has been entered into by the company except for transactions in the ordinary course of business during the F.Y. 2017-18 for which Omnibus approval was taken from Audit Committee of the Board at its meeting held on April 27, 2017. Details of transactions are attached as per **Annexure-III in form AOC-II**.

i) State of Company's Affairs

Inductions

The Board made the following appointments / re-appointments of directors during the FY 2017-18:

- 1) Shri K. P. Nair (Din: 02611496) was appointed as Chairman of the Board on April 27, 2017.
- 2) Dr. A. S. Ramasastri was appointed as Additional Director (Independent) (Din: 06916673) on the Board of the Company on August 11, 2017.

- 3) Shri Abhaya Prasad Hota was appointed as Additional Director (Independent) (Din: 02593219) on the Board of the Company on September 22, 2017.

- 4) Shri K R Murali Mohan has been appointed as Additional Director (Din: 02611496) on the Board of the Company on November 21, 2017 and designated as Managing Director & CEO of the Company.

In the last Annual General Meeting of the Company, Shri K. P. Nair was appointed as Director liable to retire by rotation.

In the last Annual General Meeting of the Company, Dr. A. S. Ramasastri was appointed as Independent Director for a term of three years.

Retirements and Resignations

- 1) Shri B. Sambamurthy, Shri B. H. Jajoo and Dr. N. L. Sarda have completed their term of 3 years as Independent Director. Accordingly, they have retired from the Board of the Company.
- 2) Shri M. A. Khan resigned from the office of Director and the post of Managing Director & CEO (Din: 07594021) with effect from the close of business on November 16, 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-appointment of Directors shall be as per the items included in Notice of 18th Annual General Meeting of the Company.

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

During the F.Y. 2017-18, no amount has been proposed to be carried to any reserve.

k) Dividend:

Your directors have declared interim dividend @10% (i.e. ₹1.00/- per equity share) amounting to ₹1,31,28,207 (Rupees One Crore Thirty One Lac Twenty Eight Thousand Two Hundred Seven only) (exclusive of Dividend Distribution Tax) which has been paid in the month of March 2018.

l) Material Changes and commitments:

During the F. Y. 2017-18 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) Details on the conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo

i) Conservation of Energy:

The operations of your company are not energy intensive.

ii) Technology Absorption: NIL

iii) **Foreign Exchange earnings and outgo:** The Company has earned foreign exchange amounting to ₹ 1,21,68,318/- and has outgo of foreign exchange amounting to ₹ 10,41,207/- during the Financial year 2017-18 as compared to corresponding figures of ₹ 2,71,09,103/- and ₹ 41,83,265/- 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 April 21, 2018 and the Board of Directors have evaluated the performance of Independent Directors at its meeting held on April 21, 2018 as prescribed under Schedule IV of the Companies Act 2013.

q) Compliance of the Secretarial Standards

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

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. 2017-18.

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

As per the requirement of Section 22 of Sexual Harassment of Woman at work place (Prevention, Prohibition and Redressal) Act, 2013 (Act), during the F.Y. 2017-18, there was one case reported which had been handled as per the provisions of the Act and concluded.

Acknowledgment:

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

For and on behalf of the Board

Sd/-

K. P. Nair

Chairman

Place: Navi Mumbai

Date: 31-07-2018

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

As on financial year ended 31.03.2018

**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	84.04
2)	Call Centre Services	72	13.63

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

a) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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, 2017]			Shareholding at the end of the year [As on March 31, 2018]			
	No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	%change in shareholding during the year
1) IDBI Bank	13128201	99.99%	NIL	13128201	99.99%	NIL	NIL
2) IDBI Bank jointly with Shri Satish P. Kamath	1	0.000008	NIL	1	0.000008	NIL	NIL
3) IDBI Bank jointly with Shri Rakesh Awasthi	1	0.000008	NIL	0	0	NIL	NIL
4) IDBI Bank jointly with Shri Biju George K	0	0.00	NIL	1	0.000008	NIL	NIL
5) IDBI Bank jointly with Shri Rajesh Prasad	0	0	NIL	1	0.000008	NIL	NIL
6) IDBI Bank jointly with Shri Anup Kumar Janardhanan	1	0.000008	NIL	0	0.00	NIL	NIL
7) IDBI Bank jointly with Shri Rajan Shukla	1	0.000008	NIL	0	0.00	NIL	NIL
8) IDBI Bank jointly with Shri Venkataramana Vankara	1	0.000008	NIL	1	0.000008	NIL	NIL
9) IDBI Bank jointly with Shri S. Ganesh	0	0	NIL	1	0.000008	NIL	NIL
10) IDBI Bank jointly with Shri Rakesh Kumar	1	0.000008	NIL	1	0.000008	NIL	NIL

Directors' Report: Annexure - I

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

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

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

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

E) Shareholding of Directors and Key Managerial Personnel:

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

V) INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 2017-18	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	30098221	---	---	---
Reduction	30026397	---	---	---
Net Change	71824	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount	---	---	---	---
ii) Interest due but not paid	71824	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i + ii + iii)	71824	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 1 st April, 2017 to 16 th November 2017)	22,12,035	22,12,035
	*Shri. K R Murali Mohan (From 17 th November, 2017 to 31 st March 2018)	13,65,753	13,65,753
	(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)	35,77,788	35,77,788
	Ceiling as per the Act		

*Shri K R Murali Mohan MD & CEO is on deputation from IDBI Bank since November 17, 2017 and his salary was reimbursed to IDBI Bank as per their Invoice.

*Shri Mohammad Afzal Khan Ex-MD & CEO was on deputation from IDBI Bank till November 16, 2017 and his salary was reimbursed to IDBI Bank as per their Invoice.

B] Remuneration to other Directors

		(Amount in ₹)				
SN	Particulars of Remuneration	Name of Directors				
		Dr. N. L. Sarda	Prof. B. H. Jajoo	Shri B. Sambamurthy	Dr. A. S. Ramasastry	Mr. Abhaya P Hota
1)	Independent Directors					
	*Fee for attending board/committee meetings	25,000	20,000	25,000	65,000	65,000
	Commission	Nil	Nil	Nil	----	----
	Others, please specify	Nil	Nil	Nil	----	----
	Total (1)	25,000	20,000	25,000	65,000	65,000
2)	Other Non-Executive Directors					
	Fee for attending board committee meetings	Nil	Nil	Nil	----	----
	Commission	Nil	Nil	Nil	----	----
	Others, please specify	Nil	Nil	Nil	----	----
	Total (2)	Nil	Nil	Nil	----	----
	Total (B) = (1 + 2)	25,000	20,000	25,000	65,000	65,000
	Total Managerial Remuneration	NA	NA	NA	NA	NA
	Overall Ceiling as per the Act	NA	NA	NA	----	----

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

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

		Key Managerial Personnel		
SN	Particulars of Remuneration	Shri Ritesh Kumar Jain, Company Secretary	Shri Dinyar Sutaria, CFO	Total
1)	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	16,57,540	29,87,197	46,44,737
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	NA	5,918	5,918
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	NA	NA	Nil
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	16,57,540	29,93,115	46,50,655

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: 31st July 2018

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

ANNEXURE - II

IDBI Intech Limited Report on CSR Activities FY 2017-18

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. A. S. Ramasastry	Independent Director
3.	Shri K R Murali Mohan	MD & CEO

3] Average Net Profit of the Company for last three F. Years - ₹ 11,24,25,957/-

4] Prescribed CSR Expenditure (2% of the amount as in item 3) - ₹ 22,48,519/-

5] Details of amount spent under CSR activities during the F. Year 2017-18:

- (a) Total Amount to be spent as approved by the Board for the F. Year: ₹ 22,50,000/-
- (b) Total Amount Spent - ₹ 22,50,000/-
- (c) Amount unspent if any: ₹ NIL/-

(d) Manner in which the amount spent during the F.Y. 2017-18 is detailed below

Sr. 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	St. Jude India ChildCare Centres - It's a not-for-profit organization in India that provides free of charge shelter and holistic care to children who are undergoing cancer treatment along with their families, at Tata Memorial Hospital and other treating hospitals.	Promoting Healthcare	Kharghar, Navi Mumbai	7,50,000	7,50,000	7,50,000	Amount paid directly
2	Tata Memorial Centre (ACTREC) - ACTREC has a 120 bedded tertiary care cancer hospital which provide comprehensive patient care to cancer patients with infrastructure and expertise to treat by surgery, radiation and chemotherapy with laboratory and imaging diagnostic support.		Kharghar, Navi Mumbai	10,00,000	10,00,000	10,00,000	Amount paid directly
3	Vanvasi Kalyan Ashram - (VKA) is a voluntary organization with committed and self-motivated work force of volunteers. It was founded in 1952 with the sole motive of upliftment of the tribals. The organization runs several projects for Tribal throughout India in the areas of Education, Health, Sports, Arts & Culture and Self Employment etc.	Promoting Education (including specialized and employment oriented vocational skills) and Livelihood enhancement projects	Kharghar, Navi Mumbai	2,32,000	2,32,000	2,32,000	Amount paid directly
4	Rotary Hellen Keller Talking Book Library - ROHTALK is dedicated to provide a New Generation Service to the Visually Impaired Persons. It is the only exclusive Talking Book Library in the entire South India, which provides the Visually Impaired Persons access to get Books, Literatures, Novels, Journals etc. In a Audio Cassette and Compact Disc Format.		Madurai	25,000	25,000	25,000	Amount paid directly
5	Vinimay Trust - This is an NGO and Public Charitable Trust (registered in 1989) working with underprivileged children in the Child Welfare Institutions (CWIs) in Mumbai and youth emerging from such CWIs.		Koperkhairane, Navi Mumbai	2,43,000	2,43,000	2,43,000	Amount paid directly

6] Reason for not Spending full amount

Not Applicable

7] 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.

Date: May 18, 2018

Sd/-
K R Murali Mohan
Managing Director & CEO

Sd/-
K. P. Nair
Chairman CSR Committee

Annexure III - AOC - 2

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

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties during FY 2017-18 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 2017-18	56,62,42,793.00 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.	April 27, 2017	-- Nil --

Sd/-
K R Murali Mohan
Managing Director & CEO

TO THE MEMBERS OF IDBI INTECH LIMITED

1 Report on the Standalone Financial Statements

We have audited the accompanying financial statements of IDBI INTECH LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2 Management's Responsibility for the 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 and presentation of these 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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.

3 Auditor's Responsibility

Our responsibility is to express an opinion on these 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of 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 true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.

4 Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2018, its profit and its cash flows for the year ended on that date.

5 Report on other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters Specified in paragraphs 3 and 4 of the Order.
- 2) As required by section 143(3) of the Act, we report, to the extent applicable 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) There are no branch offices of the Company;
 - d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - e) In our opinion, the aforesaid 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) There are no financial transactions or matters which have adverse effect on functioning of the Company;
 - g) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being

appointed as a director in terms of Section 164(2) of the Act;

- h) There are no qualifications, reservations or adverse remarks relating to maintenance of accounts and other matters connected therewith;
- i) With respect to adequacy of the internal financial control with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure C"; and
- j) With respect to 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 pertaining to the OBST Division and management is of opinion that there will not be substantial of the financial impact of these litigations. Refer Note 28 to the financial statements ;

[ii] The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

[iii] There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

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? (Leave & License Agreement for Central Bank of India Customer Contact Centre project for five years w.e.f. 1-09-2016)	Yes
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 there-of and amount involved - case wise.	Nil

For Patel and Deodhar
Chartered Accountant
Firm Registration No.: 107644W

Sd/-
V. M. Deodhar
(Partner)
Membership No.: 011559

Place: Mumbai
Date: 21st April 2018

Annexure - A
Report on Write-off during the year

No. & Name of the Party	Amount Written off	Reason
1) Jammu & Kashmir Bank Ltd.	6,36,000/-	<p>I) J&K Bank had placed their order dated 10-03-2012 for ₹ 8.00 lakh plus taxes for providing end to end solution for file upload, integration of NEFT / FUND transfer using NEFT - i@connect application.</p> <p>Intech has received ₹ 4,20,000 (including taxes) vide invoice dated 19-03-2012 being 50% advance payment as per PO terms.</p> <p>Subsequently, Intech had raised an Invoice dated 23-03-2015 for ₹4,20,000 including taxes on J&K Bank being the 50% balance payment for integration for NEFT / FUND transfer as per the PO terms.</p> <p>This software was to be used by them for the LIC interface. However, as per their feedback, the project got scrapped.</p> <p>II) J&K Bank had placed their order dated 13-03-2010 for i@connect Corporate License - NEFT & RTGS for ₹ 9.60 lakh plus taxes. IDBI Intech had successfully completed the implementation and installation work and raised invoices as per PO terms for which the payment had been received.</p> <p>Subsequently, Intech had raised an Invoice dated 09-04-2015 for ₹2,16,000 on J&K Bank Ltd. for AMC towards i@connect Corporate License for NEFT & RTGS for the period from 19-04-2014 to 18-04-2015.</p> <p>In spite of regular follow-up with J&K Bank for releasing the payment, they did not respond to any communication from Intech. J&K Bank subsequently indicated that they have discontinued using our product; hence they don't require AMC for the i@connect solution.</p> <p>As a provision for this unrealised income has already been made in the accounts for the FY ended 31st March 2017, there will be no financial impact in the current Financial Year on account of this write-off.</p> <p>The above Write-off is in compliance with the Income Reversal & Write-off policy as approved by the Board on 16-04-2014.</p>

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF IDBI INTECH LIMITED

[Referred to in paragraph 5(1) of our report of even date]

- 1] (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - (b) The fixed assets were physically verified by the management at the year-end and such verification has revealed no material discrepancies. In our opinion, having regard to the size of the Company and nature of its fixed assets, the frequency of physical verification of the fixed assets is reasonable.
 - (c) There are no immovable properties as on the balance sheet date, hence not applicable.
- 2] The company is in the business of IT related service & data centers. Accordingly, it does not hold any physical inventories. Thus paragraph 3(ii) of the order is not applicable to the company.
- 3] The company has not granted any loans, secured or unsecured to companies, firms, LLP’s or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 iii (a) to (c) of the order are not applicable to the company and hence not commented upon.
- 4] In our opinion, and according to the information and explanations given to us, the Company has not undertaken any transactions during the year in respect of loans, guarantees and securities covered under Section 185 and section 186 of the Companies Act, 2013
- 5] According to information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6] According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the Company.
- 7] (a) According to information & explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of accounts in respect of undisputed applicable statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax and any Other Statutory Dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax and any Other material Statutory Dues were in arrears as on 31 March 2018 for a period of more than six months from the date they become payable.

- (b) According to the information and explanation given to us, the following dues of income tax and value added tax have not been deposited by the company on account of disputes.

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

- 8] The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year, except overdraft facility from IDBI Bank Ltd. (paragraph 3 (viii) of the Order)
- 9] The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 10] To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by or on the Company by its officers or employees was noticed or reported during the year.
- 11] The provision of section 197 is not applicable to Government Company In view Of Notification no. G.S.R. 463(E) dtd. 05-06- 2015. 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. MD-CEO is on deputation from IDBI Bank Ltd. (Holding Company). for which approval only of the Board has been obtained u/s 188 of the Act. The details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14] According to information & explanations given to us and on the basis of our examination of the records of the company, during the year, under review the company has not made preferential allotment of preference shares & Private placement of Equity shares.
- 15] According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16] The Company is not required to be registered under section 45-IA of RBI Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Patel and Deodhar
Chartered Accountants
Firm Registration No.: 107644W

Sd/-
V. M. Deodhar
(Partner)
Membership No.: 011559

Place: Mumbai
Date: 21st April 2018

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

Report on the Internal Financial Controls with reference to financial statements in terms of Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

[Referred to in paragraph 5(2)(i) of our report of even date]

We have audited the internal financial controls over financial reporting of IDBI INTECH LTD. as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended 31st March 2018.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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, 2018, 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 Patel and Deodhar
Chartered Accountants
Firm Registration No.: 107644W
Place: Mumbai
Date: 21st April 2018

Sd/-
V. M. Deodhar
(Partner)
Membership No.: 011559

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 2018

The preparation of financial statements of IDBI Intech Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 April 2018.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of IDBI Intech Limited for the year ended 31 March 2018 under section 143 (6) (a) of the Act.

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

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

Place: Mumbai
Date: 26/06/2018

Balance Sheet as at 31st March 2018

	Refer Note No.	Year Ended 31 st March 2018 (₹)	Year Ended 31 st March 2017 (₹)
Equity & Liabilities			
Shareholder's Funds			
Share Capital	2	13,12,82,070	13,12,82,070
Reserves & Surplus	3	34,37,17,611	32,94,15,713
		47,49,99,681	46,06,97,783
Non Current Liabilities			
Other Non Current Liabilities	4	5,97,251	5,97,251
Current Liabilities			
Trade Payables	5	97,09,761	1,19,28,204
Other Current Liabilities	6	3,47,58,273	1,08,77,541
Short Term Borrowings	7	71,824	(2,882)
Short Term Provisions	8	3,29,85,012	1,20,59,289
		7,75,24,870	3,48,62,152
Total		55,31,21,802	49,61,57,186
Assets			
Non - Current Assets			
Property Plant & Equipment	9		
Tangible Assets		1,66,63,441	2,04,13,549
Intangible Assets		72,99,248	91,84,679
Capital Work in Progress			
Intangible Assets under Development		27,27,400	27,30,362
Deferred Tax Asset (Net)	10	23,15,323	11,89,409
Long Term Loans & Advances	11	4,75,46,583	3,95,85,482
Other Non Current Assets	12	1,15,35,085	99,35,318
Total		8,80,87,080	8,30,38,799
Current Assets			
Trade Receivables	13	18,06,00,396	2,01,55,255
Cash & Bank Balances	14	25,33,71,776	35,48,09,318
Short Term Loans & Advances	15	3,10,62,550	3,81,53,814
		46,50,34,722	41,31,18,387
Total		55,31,21,802	49,61,57,186

Notes forming part of Financial Statements.

1 to 32

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

For and on behalf of the Board

Sd/-
V M Deodhar
(Partner)
Membership No.: 011559

Sd/-
Shri K R Murali Mohan
Managing Director & CEO

Sd/-
Shri K P Nair
Chairman

Place: Mumbai.
Date: 21st April 2018

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 2018

	Refer Note No.	Year Ended 31 st March 2018 (₹)	Year Ended 31 st March 2017 (₹)
Revenue			
Revenue from Operations	16	78,44,94,794	77,15,42,105
Foreign Exchange Gain		-----	-----
Other Income	17	1,86,98,639	4,06,47,283
Total		80,31,93,433	81,21,89,388
Expenses			
Employee Benefits Expenses	18	68,92,64,687	54,03,96,999
Other Operating Expenses			
Expenses for Information Technology (IT) Services	19	4,46,35,859	3,96,48,012
Expenses for National Contact Centre	20	39,26,006	26,58,552
Expenses for OBST	21	1,38,185	7,00,222
Administration & Other Expenses	22	1,01,83,751	89,04,299
Finance Cost			
Interest on OD		98,221	-----
Depreciation & Amortization Expenses	9	86,50,615	59,02,652
Total		75,68,97,324	59,82,10,736
Profit Before Extraordinary Items & Tax		4,62,96,109	21,39,78,652
Tax Expense			
Current Tax		(1,73,11,000)	(7,19,69,000)
Deferred Tax		11,25,914	(23,12,022)
Prior Period Tax Adjustment		(8,324)	(1,86,014)
Profit after Tax		3,01,02,699	13,95,11,616
Prior Period Income (Net)		-----	-----
Profit for the year		3,01,02,699	13,95,11,616
Earnings Per Share (Face Value ₹ 10/- per share)			
Basic & Diluted		2.29	10.63
Notes forming part of Financial Statements.	1 to 32		

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

Sd/-
V M Deodhar
(Partner)
Membership No.: 011559

Place: Mumbai.
Date: 21st April 2018

For and on behalf of the Board

Sd/-
Shri K R Murali Mohan
Managing Director & CEO

Sd/-
Shri Ritesh Kumar Jain
Company Secretary

Sd/-
Shri K P Nair
Chairman

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:

a) Time and Material Contracts Revenue from contracts priced on time and material basis are recognized when services are rendered & related costs are incurred.

b) Sale of Software Applications and Products Revenue from sale of products is recognised on achievement of milestone basis & on transfer of property of goods as per agreed terms.

c) Annual Technical / Maintenance Services Annual Technical Services revenue is recognised proportionately over the period in which the services are rendered.

d) Contact Centre Revenue from Contact Centre is recognised upon receipt of confirmation of sales.

e) Other Income is accounted on Accrual basis.

f) Interest Income Revenue from Interest is recognised as a time proportion basis taking into account the amount outstanding and rate applicable.

g) Accrued Income & Income received in advance Unbilled revenue represents value of services performed in accordance with the contract terms but not billed & Advance payment received from customer for which no services have been rendered, disclosed as Advance from Customer.

c) Property, Plant & Equipment 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. Fixed Assets individually costing less than ₹ 5,000 are fully depreciated in the year of addition.

Depreciations as per the Companies Act 2013

Nature of Assets	Useful Life of Years
Computer & Accessories	
Servers & Networks	6 Years
Desktop & Laptops	3 Years
Office Equipment	5 Years
Power equipments	10 Years
Furniture & Fixtures	10 Years
Motor Car	8 Years
Electrical Installation	10 Years
Intangible Assets	As per Accounting Standard

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 & Leave Encashment are made as determined by LIC for purposes of payment. The liability for gratuity & Leave Encashment 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 - Authorised Capital

	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
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
IDBI Bank Ltd. holds 100% of the paid-up share capital of the Company.	13,12,82,070	13,12,82,070

	Year ended 31 st Mar 18 (₹)		Year ended 31 st Mar 17 (₹)	
	No. of Shares	Amount	No. of Shares	Amount
a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year (Share Capital - Equity Share)				
At the beginning of the year	1,31,28,207	13,12,82,070	1,31,28,207	13,12,82,070
Issued during the year	-----	-----	-----	-----
Outstanding at the end of the year	1,31,28,207	13,12,82,070	1,31,28,207	13,12,82,070
b) The Company has only one class of Equity Shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held.				
c) Details of shareholders holding more than 5% shares in the company Equity Shares of ₹10/- each				
IDBI Bank Ltd.	1,31,28,207	100%	1,31,28,207	100%
Total	1,31,28,207	100%	1,31,28,207	100%

3) Reserves & Surplus

	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Profit & Loss A/c Opening balance	32,94,15,713	24,52,06,901
(+) Net Profit / (Net Loss) for the current year	3,01,02,699	13,95,11,616
(-) Dividend Paid	(1,31,28,207)	(4,59,48,725)
(-) Tax on Dividend Paid	(26,72,594)	(93,54,079)
Closing Balance	34,37,17,611	32,94,15,713

4) Other Non Current Liabilities

	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Creditors for Expenses	5,97,251	5,97,251
	5,97,251	5,97,251

5) Trade Payables (Creditors for Expenses)

	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Creditors of Micro Small & Medium Enterprises	-----	-----
Creditors other than Micro Small & Medium Enterprises	97,09,761	1,19,28,204
	97,09,761	1,19,28,204

Company has not received any information from suppliers regarding their status under "Micro, Small and Medium Enterprise Development Act, 2006. There is no principal amount and interest overdue to Micro and Small Enterprises. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006"

6) Other Current Liabilities

	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Statutory Dues GST Payable (Net)	2,54,24,844	-----
P.F. employer contribution payable	25,82,897	24,53,015
P.F. employee contribution payable	25,32,797	23,09,542
E.S.I.C employer contribution payable	4,16,575	4,14,347
TDS Payable - Professional Services	2,68,372	2,58,304
E.S.I.C employee contribution payable	1,53,767	1,53,014
TDS Payable - Contractual payments	1,05,649	1,23,433
TDS Payable - Rent	92,877	1,12,360
TDS Payable - Salaries	12,916	-----
L.W.F employer contribution payable	25	16
L.W.F employee contribution payable	8	5
NMMC / LBT Payable	-----	53,628
Profession Tax Payable	2,46,733	2,45,943
Others Amounts payable to IDBI	-----	16,34,998
Expenses Payable	10,50,266	11,09,866
Income received in advance	18,70,547	20,09,070
	3,47,58,273	1,08,77,541

7) Short Term Borrowings

	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Secured IDBI Bank - Overdraft	71,824	(2,882)
	71,824	(2,882)

Sanction Terms: Overdraft Facility availed from IDBI Bank Ltd. with a limit of ₹ 5 Crores is secured against first charge on current assets of the company both present & Future Tenure: 1 year (upto 28-March-18) with a revolving facility to be renewed every year Interest Rate: MCLR (Y) +270 bps p.a (present effective interest p.a.11.25%)

8) Short Term Provisions

Provision for Employee Benefits	3,29,85,012	1,20,59,289
	3,29,85,012	1,20,59,289

Note: Include provision for Performance base incentive ₹ 2 Crore, Bonus 0.66 Crore & Gratuity Provision of ₹ 0.58 Crore

Note 9: Schedule of Fixed Assets

Description	Gross Block				Depreciation				Net Block	
	As on 01/04/17	Additions	Deletion/ Adjustment	As on 31/03/18	As on 01/04/17	Additions	Deletion/ Adjustment	As on 31/03/18	As on 31/03/18	As on 01/04/17
Tangible Fixed Assets										
Information Technology Division										
Computer & Accessories	3,57,46,502	15,73,567	----	3,73,20,069	1,78,29,471	47,29,691	----	2,25,59,162	1,47,60,907	1,79,17,031
Office Equipment	47,10,633	3,33,013	4,50,000	45,93,646	32,93,521	5,78,247	4,50,000	3,421,768	11,71,878	14,17,112
Power equipments	23,32,035	----	20,65,420	2,66,615	23,32,035	(8)	20,65,420	266,607	8	----
Furniture & Fixtures	2,87,336	10,254	----	2,97,590	2,65,585	13,923	----	279,508	18,082	21,751
Motor Car	20,02,698	----	----	20,02,698	12,48,256	2,50,336	----	1,498,592	5,04,106	7,54,442
Electrical Installation	4,22,967	58,050	----	481,017	2,41,382	48,977	----	290,359	1,90,658	1,81,585
National Contact Centre										
Office Equipment	8,69,911	49,500	----	9,19,411	8,51,237	49,488	(18,674)	9,19,399	12	----
Computer & Accessories	16,77,737	----	----	16,77,737	16,01,835	94,560	18,674	16,77,721	16	94,576
Electrical Installation	20,000	----	----	20,000	10,400	2,001	----	12,401	7,599	9,600
Furniture & Fixtures	4,22,367	----	----	4,22,367	4,04,915	7,277	----	4,12,192	10,175	17,452
	4,84,92,186	20,24,384	25,15,420	4,80,01,150	2,80,78,637	57,74,492	25,15,420	31,337,709	1,66,63,441	2,04,13,549
Intangible Fixed Assets										
Information Technology Division										
Intangible Assets	4,39,52,959	9,90,692	----	4,49,43,651	3,47,68,280	28,76,123	----	3,76,44,403	72,99,248	91,84,679
National Contact Centre										
Intangible Assets	14,63,758	----	----	14,63,758	14,63,758	----	----	14,63,758	----	----
	4,54,16,717	9,90,692	----	4,64,07,409	3,62,32,038	28,76,123	----	3,91,08,161	72,99,248	91,84,679
Total	9,39,08,903	30,15,076	25,15,420	9,44,08,559	6,43,10,675	86,50,615	25,15,420	7,04,45,870	2,39,62,689	2,95,98,228
Intangible Assets Under Development	27,30,362	24,000	26,962	27,27,400	----	----	----	----	27,27,400	----
Previous Period Figures	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	----

10) Deferred Tax	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Deferred Tax Asset		
Provision of Gratuity	19,75,714	-----
Provision of Leave Encashment	21,407	-----
Provision for Doubtful Debt	4,51,349	-----
Depreciation	-----	11,89,409
Deferred Tax Liability		
Depreciation	1,33,147	-----
Net Deferred Tax (Liability) / Asset	23,15,323	11,89,409

11) Long Term Loans & Advances (Unsecured, Considered good)	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Sundry Deposits	52,59,050	48,21,802
Tax Refund Due	3,84,96,817	3,15,54,546
Accrued Interest On FD	6,00,686	19,104
Adjusted Refund against assessment of A.Y. 10-11	31,90,030	31,90,030
	4,75,46,583	3,95,85,482

Note: Company has entered into operating lease in FY 2016-17 for office premises for which a refundable deposit of ₹ 45 Lakh is maintained with the lessor & the same forms a part of sundry deposits. Sundry deposits also includes ₹ 2 Lakhs EMD maintained with client. | Note: Company has received Assessment order for AY 2010-11.

12) Other Non Current Assets	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Deposits with original maturity exceeding twelve months.	1,15,35,085	99,35,318
Fixed Deposits of ₹ 1,15,35,085 is charged against Bank Guarantee.	1,15,35,085	99,35,318

13) Trade Receivables (Unsecured, considered good)	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Over Six Months	40,02,029	19,50,500
Provision for Doubtful Debts	(13,04,100)	(6,36,000)
Less than Six Months	17,79,02,467	1,88,40,755
	18,06,00,396	2,01,55,255

14) Cash & Bank Balances	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Cash & Cash Equivalants		
Cash in Hand	13,070	20,000
Current Account Balances (Includes Sweep In Deposit Balance)	2,29,99,515	3,37,99,628
Deposits with original maturity less than three months.	4,00,00,000	-----
	6,30,12,585	3,38,19,628
Other Bank Balances		
Deposits (Original maturity more than 3 months but less than 12 months)	18,88,75,586	26,66,31,410
Deposits (Original maturity exceeding 12 months)	14,83,605	5,43,58,280
	19,03,59,191	32,09,89,690
Fixed Deposits of Rs. 35,42,583.00 is Lien marked against Bank Guarantee.		
Fixed Deposits of Rs. 2,01,73,901.00 is charged against Bank Overdraft.	25,33,71,776	35,48,09,318

15) Short Term Loans & Advances (Unsecured, considered good)	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Prepaid Insurance Charges		
Mediclaime Insurance	6,77,399	7,67,327
Vehicle Insurance	2,38,096	21,142
Group Term Insurance	1,26,900	97,014
Other Assets Insurance	-----	23,909
Accrued Income	2,38,48,131	2,06,34,785
Prepaid Expenses	16,71,754	8,82,315
Miscellaneous Services Reimbursement	14,85,983	-----
Leave Encashment receivable from LIC	6,40,736	4,81,110
Advance to Employees	5,55,296	95,000
Other Advances	9,710	18,649
Accrued Interest On FD	18,08,545	1,16,13,521
Advance Travelling & Conveyance	-----	20,000
TDS on Provisions	-----	2,52,688
Service Tax Credit	-----	3,46,137
Service Tax paid on provisions	-----	29,00,217
	3,10,62,550	3,81,53,814

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

16) Revenue from Operations		Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Sale of Products			
Income from Sale of Software		1,63,20,000	27,00,000
Sale of Services			
Income from Information Technology (IT) Services		65,86,76,209	67,87,22,477
Income from National Contact Centre		10,94,98,585	9,01,19,628
		78,44,94,794	77,15,42,105
17) Other Income		Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Interest on Fixed Deposits		1,32,08,158	1,87,17,130
Profit on sale of Assets		47,000	-----
Interest on Income tax Refund		22,21,545	2,18,16,897
Miscellaneous Income		26,37,304	10,000
Provisions Written Back		5,84,632	1,03,256
		1,86,98,639	4,06,47,283
18) Employee Benefits Expenses		Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Salary, Incentives & Allowances		59,64,82,263	47,25,02,051
Contribution to Gratuity		1,56,83,144	84,84,899
Contributions to PF		3,08,53,486	2,57,34,388
Contributions to ESIC		50,15,256	30,80,841
Contributions to LWF		62,878	50,564
Staff Welfare Expenses		4,11,67,660	3,05,44,256
		68,92,64,687	54,03,96,999
19) Expenses for Information Technology (IT) Services		Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Electricity Charges		66,02,560	33,19,660
Communication Charges		44,47,609	36,42,893
Printing & Stationery		18,42,276	12,54,248
Office & Maintenance		36,78,902	20,10,934
Travelling & Conveyance		55,24,852	86,87,941
Motor Car Expenses		4,44,346	5,26,293
Facility Management Charges		10,25,000	1,66,667
Professional / Technical Fees paid		72,02,654	62,85,038
Foreign Exchange Loss		1,20,065	5,67,548
Postage & Courier Charges		32,705	54,320
Premises Rent		92,40,000	64,03,520
Loss on Asset Transfer		-----	14,006
Rent, Rates & Taxes		38,799	93,978
Miscellaneous Expenses		1,41,395	2,13,620
Fees for Tender Document		33,823	-----
Recruitment Expenses		11,03,032	37,06,808
Bank Charges		81,929	1,20,927
Meeting Expenses		2,50,568	53,982
Insurance Charges		5,843	513
Debtors w/o		6,36,000	11,87,819
Provision for Doubtfull Debts		13,04,100	6,36,000
Registration Charges		-----	57,536
Gifts and other expenses		600	46,964
Repair and Maintenance			
Vehicle		55,990	38,822
Other		1,48,575	60,711
Subscription fees paid		1,00,295	85,976
Training, Seminar and Conference Expenses		5,28,941	2,12,335
Marketing & Advertisement Expenses		45,000	1,98,953
		4,46,35,859	3,96,48,012

20) Expenses for National Contact Centre		Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Office & Maintenance		28,88,085	18,18,208
Legal & Professional Fees		4,18,592	3,77,830
Recruitment Expenses		2,82,877	1,46,900
Printing & Stationery		1,43,813	98,659
Communication Charges		1,35,541	1,09,279
Travelling & Conveyance		22,099	75,217
Postage & Courier Charges		19,094	11,905
Miscellaneous Expenses		8,936	7,906
Rent, Rates & Taxes		4,450	12,528
Repair and Maintenance		1,575	120
Gifts and other Expenses		944	----
		39,26,006	26,58,552
21) Expenses for OBST		Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Printing & Stationery		----	27
Legal & Professional Fees		1,35,000	3,37,735
Postage & Courier Charges		3,185	40
Rent, Rates & Taxes		----	124
Miscellaneous Expenses		----	37,296
Litigation Payout		----	3,25,000
		1,38,185	7,00,222
22) Administration & Other Expenses		Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Communication Charges		1,67,948	2,29,752
Printing & Stationery		9,03,995	9,66,200
Office & Maintenance		13,10,436	9,23,142
Travelling & Conveyanc		1,23,936	1,01,002
Network Management Cost		63,996	63,996
Legal & Professional fees paid		20,09,460	21,25,955
Payment to the Auditor as			
Statutory Audit Fees		1,50,000	1,50,000
Out of Pocket Expenses		20,000	17,500
Tax Audit Fees		40,000	35,000
Internal Audit Fees		2,00,000	2,50,000
Insurance Charges		4,04,971	1,08,443
Rent, Rates & Taxes		5,67,285	13,14,755
Miscellaneous Expenses		69,301	1,29,381
Bank Charges & Commission		12,896	2,341
Donation		40,000	----
Meeting Expenses		65,239	24,538
Postage & Courier		34,489	27,565
Subscription Fees		3,000	1,500
Gifts & Other Expenses		6,51,518	8,06,914
Directors' siting fees & Other Exp		4,73,797	4,29,293
Recruitment Expenses		2,000	3,000
CSR Expenses		22,50,000	10,29,329
Repair and Maintenance			
Electricals		----	----
Others		40,955	2,510
Training, Seminar and Conference Expenses		1,36,810	71,517
Advertisement Expenses		4,41,719	90,666
		1,01,83,751	89,04,299

23) Related Party Transactions

Year ended 31st Mar 18 (₹)

Year ended 31st Mar 17 (₹)

(I) Shri K R Murali Mohan (Key Management Personnel) (On Deputation from IDBI Bank Ltd.)		
Salary (Date of appointment - 21st November 2017)	13,65,753	-----
(ii) Shri M. A. Khan (Key Management Personnel) (On Deputation from IDBI Bank Ltd.)		
Salary (upto 20th November 2017)	22,12,035	18,47,874
(iii) Shri Inderpal S Karla (Key Management Personnel) (On Deputation from IDBI Bank Ltd.)		
Salary	-----	14,35,845
(iv) Shri Dinyar Sutaria (Key Management Personnel - CFO)		
Salary	29,93,115	28,73,040
(v) Shri Ritesh Kumar Jain (Key Management Personnel - Company Secretary)		
Salary	16,57,540	15,30,885
(vi) IDBI Federal Life Insurance Co. Ltd. (Holding company has beneficial ownership i.e. IDBI Bank Ltd.)		
Income from Information Technology Services	2,54,67,613	2,28,38,540

24) Earnings Per Share

Year ended 31st Mar 18 (₹)

Year ended 31st Mar 17 (₹)

(a) Profit after Tax (In ₹)	3,01,02,699	13,95,11,616
(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 ₹)	2.29	10.63

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

25) Foreign Currency Transactions (In ₹) (accrued)

Year ended 31st Mar 18 (₹)

Year ended 31st Mar 17 (₹)

Earnings in Foreign Currency		
Information Technology Services	1,21,68,318	2,71,09,103
Expenditure in Foreign Currency		
Travel allowances to employees on Overseas Project	10,41,207	41,83,265
Overseas Business Development Expenses	-----	-----
Overseas Conference & Subscription Expenses	-----	-----
	10,41,207	41,83,265

26) Leases

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	92,40,000
Later than one year and not later than five year	2,41,78,000	3,34,18,000
Later than five years	-----	-----
Total of future minimum lease payments	3,34,18,000	4,26,58,000
Total minimum lease payments recognized in the Profit and Loss		
Account under the head Hiring Charges	92,40,000	64,03,520

27) 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 18 (₹)

Year ended 31st Mar 17 (₹)

Information Technology	67,49,96,209	68,14,22,477
Call Centre	10,94,98,585	9,01,19,628
	78,44,94,794	77,15,42,105
Less : Intersegment Revenue	-----	-----
Income From Operations	78,44,94,794	77,15,42,105

B) Segment Results

	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Information Technology	4,94,22,870	19,36,95,715
Call Centre	2,40,98,265	1,77,22,651
	7,35,21,135	21,14,18,366
Less: Other Unallocable Expenditure net of Unallocable Income	2,72,25,027	-----
Add: Other Unallocable Income net of Unallocable Expenditure	-----	25,60,286
Total Profit Before Tax	4,62,96,108	21,39,78,652
Less: Income Tax	1,61,93,410	7,44,67,036
Profit after Tax	3,01,02,699	13,95,11,616
Add: Prior Period Income (Net)	-----	-----
Net Profit For The Year	3,01,02,699	13,95,11,616

C) Segment Assets

	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Information Technology	19,51,68,833	7,42,11,231
Call Centre	1,21,21,652	75,37,228
Unallocated Corporate Assets	34,58,31,317	41,44,08,726
	55,31,21,802	49,61,57,186

D) Segment Liabilities

	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Information Technology	2,83,14,781	2,93,14,568
Call Centre	57,61,222	36,09,655
Unallocated Corporate Liabilities	4,40,46,118	25,35,180
	7,81,22,121	3,54,59,403
Capital Employed (Segment Assets - Segment Liabilities)		
Information Technology	16,68,54,052	4,48,96,663
Call Centre	63,60,430	39,27,573
Unallocated	30,17,85,199	41,18,73,546
	47,49,99,681	46,06,97,783

E) Capital Expenditure

	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Information Technology	29,65,576	2,89,80,684
Call Centre	49,500	-----
	30,15,076	2,89,80,684

F) Depreciation

	Year ended 31 st Mar 18 (₹)	Year ended 31 st Mar 17 (₹)
Information Technology	84,97,289	56,72,878
Call Centre	1,53,326	2,29,774
	86,50,615	59,02,652

28) Contingent Liabilities & Commitments

(i) Contingent Liabilities

(a) Gurantees: The Company has issued Bank guarantee of ₹ 112 lakh to customers for its IT Projects. As at 31st March 2018, the ontinent liabilities under these guarantees amounted to ₹ 112 lakh (PY: ₹ 100 lakh).

(b) Salary Payable to Ex employees: The Company may have to pay compensation amounting to ₹ 4.28 Lakh (PY ₹ 4.28 lakh) to Ex employee of the erstwhile OBST Vertical as per the Jaipur High Court Order. The same is being contested by the company.

With respect to old pending cases for OBST vertical, the following is the status for pending cases

Forum where Pending	No. of Cases	Current Statuts
High Court / Civil Court	3	No Listing for 2 cases and for 1 case Honorable court has stayed the order for 50% of demand
Labour Court	12	Matters are pending with various labour courts

Management is of the opinion that outcome of cases will not have any material impact on the financials statement and quantification can be known only when order will be received.

(ii) Capital Commitments

CY ₹ 44.97 lakh (Net of Advances) towards partial contract value for software purchases. (PY ₹ 30.30 Lakh)

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

30) Company has not received any information from suppliers regarding their status under "Micro, Small and Medium Enterprise Development Act, 2006. There is no principal amount and interest overdue to Micro and Small Enterprises. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006

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

I. ASSUMPTIONS:	1/4/2017 - 31/3/2018	1/4/2016 - 31/3/2017
DISCOUNT RATE [PREVIOUS]	7.71%	7.95%
RATE OF RETURN ON PLAN ASSETS [PREVIOUS]	7.71%	7.95%
SALARY ESCALATION [PREVIOUS]	7.00%	7.00%
ATTRITION RATE [PREVIOUS]	2%-3%	2%-3%
DISCOUNT RATE [CURRENT]	7.87%	7.71%
RATE OF RETURN ON PALN ASSETS [CURRENT]	7.87%	7.71%
SALARY ESCALATION [CURRENT]	8.00%	7.00%
ATTRITION RATE [CURRENT]	2%-3%	2%-3%

II. TABLE SHOWING CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:	1/4/2017 - 31/3/2018	1/4/2016 - 31/3/2017
PRESENT VALUE OF BENEFIT OBLIGATION AS AT THE BEGINNING OF THE CURRENT PERIOD	4,29,61,730	3,44,65,720
INTEREST COST	33,12,349	27,40,025
CURRENT SERVICE COST	82,20,613	67,28,041
PAST SERVICE COST VESTED BENEFIT INCURED DURING PERIOD	28,66,847	-----
BENEFIT PAID FROM THE FUND	(32,40,159)	(29,33,714)
ACTUARIAL (GAINS) / LOSSES ON OBLIGATIONS	1,34,925	12,87,805
Due to change in financial assumptions		
ACTUARIAL (GAINS) / LOSSES ON OBLIGATIONS - Due to experience	40,78,611	6,73,853
PRESENT VALUE OF BENEFIT OBLIGATION AS AT THE END OF THE CURRENT PERIOD	5,83,34,916	4,29,61,730

III. TABLE OF FAIR VALUE OF PLAN ASSETS:	1/4/2017 - 31/3/2018	1/4/2016 - 31/3/2017
FAIR VALUE OF PLAN ASSETS AT THE BEGINNING OF THE PERIOD	4,18,60,015	3,36,51,278
EXPECTED RETURN ON PLAN ASSETS	32,27,407	26,75,277
CONTRIBUTIONS BY THE EMPLOYER	1,10,76,353	81,97,626
TRANSFER FROM OTHER COMPANY (TRANSFER TO OTHER COMPANY)		
(BENEFIT PAID FROM FUND)	(32,40,159)	(29,33,714)
ACTUARIAL GAIN / (Losses) ON PLAN ASSETS	(2,97,206)	2,69,548
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	5,26,26,410	4,18,60,015

IV. TABLE OF RECOGNITION OF ACTUARIAL GAINS / LOSSES:	1/4/2017 - 31/3/2018	1/4/2016 - 31/3/2017
ACTUARIAL (GAINS) / LOSSES ON OBLIGATION FOR THE PERIOD	42,13,536	19,61,658
ACTUARIAL (GAINS) / LOSSES ON ASSET FOR THE PERIOD	2,97,206	(2,69,548)
SUBTOTAL	45,10,742	16,92,110
ACTUARIAL (GAINS) / LOSSES RECOGNIZED IN INCOME & EXPENSES STATEMENT	45,10,742	16,92,110

V. ACTUAL RETURN ON PLAN ASSETS:	1/4/2017 - 31/3/2018	1/4/2016 - 31/3/2017
EXPECTED RETURN ON PLAN ASSETS	32,27,407	26,75,277
ACTUARIAL GAINS / (LOSSES) ON PLAN ASSETS	(2,97,206)	2,69,548
ACTUAL RETURN ON PALN ASSETS	29,30,201	29,44,825

VI. AMOUNT RECOGNIZED IN THE BALANCE SHEET:	1/4/2017 - 31/3/2018	1/4/2016 - 31/3/2017
(PRESENT VALUE OF BENEFIT OBLIGATION AS AT THE END OF THE PERIOD)	(5,83,34,916)	(4,29,61,730)
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	5,26,26,410	4,18,60,015
FUNDED STATUS	(57,08,506)	(11,01,715)
NET (LIABILITY) / ASSET RECOGNIZED IN THE BALANCE SHEET	(57,08,506)	(11,01,715)

VII. NET INTEREST COST FOR THE PERIOD:			1/4/2017 - 31/3/2018	1/4/2016 - 31/3/2017
PRESENT VALUE OF BENEFIT OBLIGATION AT THE BEGINNING OF THE PERIOD			4,29,61,730	3,44,65,720
FAIR VALUE OF PLAN ASSETS AT THE BEGINNING OF THE PERIOD			(4,18,60,015)	(3,36,51,278)
NET LIABILITY / (ASSET) AT THE BEGINNING			11,01,715	8,14,442
INTEREST COST			33,12,349	27,40,025
(EXPECTED RETURN ON PLAN ASSETS)			(32,27,407)	(26,75,277)
NET INTEREST COST FOR THE CURRENT PERIOD			84,942	64,748
VIII. EXPENSES RECOGNIZED IN THE INCOME STATEMENT:			1/4/2017 - 31/3/2018	1/4/2016 - 31/3/2017
CURRENT SERVICE COST			82,20,613	67,28,041
INTEREST COST			84,942	64,748
PAST SERVICE COST VESTED BENEFIT INCURED DURING PERIOD			28,66,847	-----
ACTUARIAL (GAIN)/ LOSSES			45,10,742	16,92,110
EXPENSE RECOGNIZED IN THE INCOME STATEMENT			1,56,83,144	84,84,899
IX. BALANCE SHEET RECONCILIATION			1/4/2017 - 31/3/2018	1/4/2016 - 31/3/2017
OPENING NET LIABILITY			11,01,715	8,14,442
EXPENSE AS ABOVE			1,56,83,144	84,84,899
NET TRANSFER IN			-----	-----
(NET TRANSFER OUT)			-----	-----
(EMPLOYER'S CONTRIBUTION)			(1,10,76,353)	(81,97,626)
NET LIABILITY / (ASSET) RECOGNIZED IN THE BALANCE SHEET			57,08,506	11,01,715
X. OTHER DETAILS:			31/3/2018	31/3/2017
NO OF MEMBERS			1,328	1,217
SALARY PM			2,03,14,090	1,82,40,831
PRESCRIBED CONTRIBUTION FOR NEXT YEAR (12 MONTHS)			1,67,54,952	93,22,328
XI. CATEGORY OF ASSETS:			31/3/2018	31/3/2017
GOVERNMENT OF INDIA ASSETS			-----	-----
CORPORATE BONDS			-----	-----
SPECIAL DEPOSITS SCHEME			-----	-----
EQUITY SHARES OF LISTED COMPANIES			-----	-----
PROPERTY			-----	-----
INSURER MANAGED FUNDS			5,26,26,410	4,18,60,015
OTHER			-----	-----
TOTAL			5,26,26,410	4,18,60,015
XII. EXPERIENCE ADJUSTMENT:			1/4/2017 - 31/3/2018	1/4/2016 - 31/3/2017
ON PLAN LIABILITY (GAINS) / LOSSES			40,78,611	6,73,853
ON PLAN ASSETS (LOSSES) / GAINS			(2,97,206)	2,69,548

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 2018.

	2017-18		2016-17	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Cash flow from operating activities				
Net Profit / Loss before Income tax & Extra ordinary items		4,62,96,109		21,39,78,652
Adjustment for:				
Depreciation charges for the year	86,50,615		59,02,652	
Provision for the doubtful debt	13,04,100		6,36,000	
Gain on Asset Transfer	(47,000)		14,006	
Interest on Fixed Deposits	(1,32,08,158)		(1,87,17,130)	
Interest on Overdraft	98,221	(32,02,222)	-----	(1,21,64,472)
Operating Profit before working capital changes		4,30,93,887		20,18,14,180
Decrease / (Increase) in Sundry Debtors	(16,17,49,241)		(1,01,02,065)	
Decrease / (Increase) in Loans & Advances	50,54,249		(1,09,21,943)	
(Decrease) / Increase in Current Liabilities	4,26,62,718	(11,40,32,274)	1,46,38,797	(63,85,211)
Net cash flow from operating activities		(7,09,38,387)		19,54,28,969
(Payment) / Refund of Income Tax		(2,42,61,595)		1,58,03,230
Cash flow from Investment Activities				
Investment in Fixed deposit with maturity exceeding three months	13,06,30,499		(17,21,83,241)	
Interest on Fixed Deposits	1,26,26,576		1,32,32,453	
Amounts Paid to CWIP Vendors	(24,000)		(27,12,861)	
Purchase of Fixed Assets (Net)	(29,41,114)	14,02,91,961	(2,89,80,684)	(19,06,44,333)
Cash flow from Financing Activities				
Interest on Overdraft	(98,221)		-----	
Dividend Paid	(1,58,00,801)	(1,58,99,022)	(5,53,02,804)	(5,53,02,804)
Net Increase / (Decrease) in cash and cash equivalents		2,91,92,957		(3,47,14,937)
Opening cash and cash equivalent		3,38,19,628		6,85,34,565
Closing cash and cash equivalent		6,30,12,585		3,38,19,628
Net Increase / (Decrease) in cash and cash equivalents		2,91,92,957		(3,47,14,937)

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 Patel & Deodhar
Chartered Accountants
Firm Registration No.: 107644W

For and on behalf of the Board

Sd/-
V M Deodhar
(Partner)
Membership No.: 011559

Sd/-
Shri K R Murali Mohan
Managing Director & CEO

Sd/-
Shri K P Nair
Chairman

Place: Mumbai.
Date: 21st April 2018

Sd/-
Shri Ritesh Kumar Jain
Company Secretary

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

Our Clients

 भारतीय रिज़र्व बैंक Reserve Bank of India India's Central Bank	 IDBI BANK	 LIC भारतीय जीवन बीमा निगम LIFE INSURANCE CORPORATION OF INDIA	 सेंट्रल बैंक ऑफ़ इंडिया सेंट्रल बैंक ऑफ़ इंडिया Central Bank of India
 ICICI Bank	 Andhra Bank Where India Banks	 ओरियन्टल बैंक ऑफ़ कॉमर्स ORIENTAL BANK OF COMMERCE	 SOUTH INDIAN Bank
 PMC BANK PUNJAB AND HARYANA CO-OPERATIVE BANK LTD MULTI-STATE SCHEDULED BANK	 TMB Tamilnad Mercantile Bank Ltd Be a step ahead of life	 DCB BANK	 बैंक ऑफ़ महाराष्ट्र Bank of Maharashtra भारत सरकार का उद्यम एक परिवार एक बैंक
 GTBank Guaranty Trust Bank plc	 BBK بنك البحرين والكويت	 FIDELITY BANK	 Bank Sohar بنك صحر SA.O.S. عمان
 Fino Fino Payments Bank	 EQUITY Bank • Your Listening, Caring Partner	 NSDL Technology, Trust & Reach NSDL Payments Bank Ltd.	 Emirates NBD
 J&K Grameen Bank Engendering Empowerment	 IDBI FEDERAL In association with Ageas IDBI Federal Life Insurance Co Ltd	 KVB Karur Vysya Bank Smart way to bank	 Dhanlaxmi Bank established 1927
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IDBI Intech Ltd. (INTECH), a company incorporated in March 2000, is a wholly owned subsidiary of IDBI Bank, which is India's leading Public Sector Bank. Intech has been set up to serve BFSI sector, besides providing technology related services to entire IDBI group and other organizations. Intech is a professionally managed company, with over 700 qualified and experienced experts from Banking and Technology domain. We explore the external environment, understand the emerging technologies and identify changing business requirements. We also assimilate new technologies to develop Innovative Solutions and Services.

For enquiries on our offerings,

Please get in touch with our Business Development Team:

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Tel: +91-22 39148000

Mobile: +91-91527 81613

Website: www.idbiintech.com

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Maharashtra, India.

Development Centres:

Chennai

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

New Delhi

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

Hyderabad

IDBI Intech Ltd. 2nd floor, IIT junction,
Gachibowli, Hyderabad, Telengana, India.

Pune

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