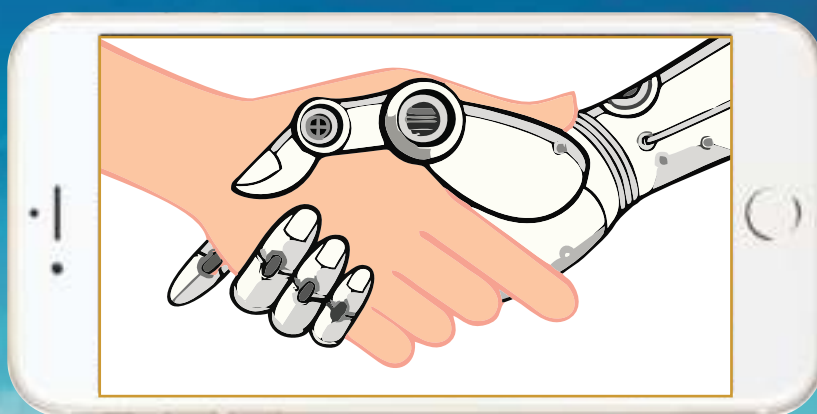


16<sup>th</sup> Annual Report 2015-16



Looking beyond the obvious!



## Transforming IT Transforming Banking





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**Shri Kishor Kharat**  
Chairman



**Prof. Bastiram H. Jajoo**  
Director



**Dr. N. L. Sarda**  
Director



**Shri B. Sambamurthy**  
Director



**Shri Mohammad Afzal Khan**  
Managing Director & CEO

### Audit Committee

Shri B. Sambamurthy  
Dr. N. L. Sarda  
Prof. Bastiram H. Jajoo  
Shri Mohammad Afzal Khan

### Auditors

Lakhani & Lakhani  
Chartered Accountants  
B-2, 3rd Floor, Ashar IT Park, Road No. 16/Z, Wagle Estate,  
Ambika Nagar, Thane (W) 400 604.

### Registered Office

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

### Company Secretary

Shri. Ritesh Kumar Jain

### Banker

IDBI Bank Ltd. Mumbai

Dear Shareholders,

It is an honour and privilege to present the 16th Annual Report of your Company for the Financial Year ended March 31, 2016. It was a year when your company could maintain the total income in line with that reported in the last financial year. The profit after tax has marginally improved over last financial year and is placed at ₹ 4.22 crore.

The focus continued to be on providing better products and services to our parent organization by harnessing newer and emerging technologies and thereby staying ahead in the competition with peer banks. During the year, your company has launched innovative products like Mini Bank, Abhay App, a state-of-the-art revised version of Anti Money Laundering solution, e-TF Solution (PORTAL), Centralized Application Management System, Learning Management System (QJAS) and other customer service initiatives like G-Sec on ATM, ATM Pin Change through IVR facility etc. Intech's efforts and capabilities have been recognized through your parent organisation being awarded various prestigious awards such as ABP News BFSI Award 2016, NetApp Innovation Award for Abhay App, Skoch Smart Technology Awards 2015 & Banking Frontier Finnoviti Awards 2016 & being runners up in IBA Banking Technology Awards 2016 in four categories.

Considering the sweeping changes being witnessed on the technology front and the changing preferences of clients, particularly in respect of delivery channels, a major restructuring exercise is underway with the help of an external consultant to transform your company to a vibrant and proactive IT Company. A product innovation group has also been constituted, which to begin with, has delivered aforesaid award winning products. It is proposed to venture in the domain of social media banking, shortly.

This apart, your company has been providing required support to the parent organization by developing various applications which automate and simplify the process to improve operational efficiency, reduce TAT and transaction costs. It saves the parent organization of a cost which otherwise would have to be paid to external vendors.

Due attention is also paid to security aspects, business continuity and regulatory compliances.

Your company also provides IT Services by way of data center services, manpower services & call centre services to group companies.

Further, your company offers a range of products & services to both domestic & international clients.

Your Company has a pool of talented and experienced resources who continue to be the backbone of the company's business. During this phase of transformation, the commitment and dedication displayed by the employees is worth acknowledging and appreciating. Your Company has been receiving a lot of support and encouragement from the parent organization and also from its other clients as well and I sincerely thank them for the support and faith reposed in Intech. I would also like to express my sincere gratitude and thanks to our Board of Directors for their valuable guidance at all times and more particularly in navigating this organization through the transformation which lies ahead.

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

Sd/-  
Mohammad Afzal Khan  
Managing Director & CEO



## **IDBI Intech Limited**

CIN No. U72200MH2000GOI124665

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

### **NOTICE:**

NOTICE is hereby given that the Sixteenth Annual General Meeting of IDBI Intech Limited will be held on Wednesday, September 14, 2016 at 3:30 PM at the Registered Office of the Company at IDBI Building, Plot No. 39-41, Sector 11, CBD Belapur, Navi Mumbai 400614 to transact the following business-

### **ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Audited Balance Sheet and Statement of Profit and Loss of the Company along with the cash flow statement together with the schedules and notes for the year ended March 31, 2016 and reports of Directors' and Auditor's thereon.
- 2) 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 2016-2017 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:**

- 3) To appoint Shri Kishor P. Kharat as a Director liable to retire by rotation

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

"RESOLVED THAT Shri Kishor P. Kharat who was appointed as an Additional Director by the Board under Section 161 of the Companies Act, 2013 and Article 123 of the Articles of Association of the Company and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received notice, from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

- 4) To appoint Shri Mohammad Afzal Khan as a Director not liable to retire by rotation:

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

"RESOLVED THAT Shri Mohammad Afzal Khan who was appointed as an Additional Director by the Board under Section 161 of the Companies Act, 2013 and Article 123 of the Articles of Association of the Company and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received notice, from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, be and is hereby appointed as Director of the Company not liable to retire by rotation."

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

Sd/-

Ritesh Kumar Jain  
Company Secretary

Place: Navi Mumbai  
Date: August 22, 2016

## NOTES

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY OR THE POWER OF ATTORNEY, IF ANY, UNDER WHICH IT IS SIGNED, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING AS PROVIDED BY ARTICLE 113 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY.**
- 2) Pursuant to Section 102(1) of the Companies Act, 2013 Explanatory Statement in respect of the business mentioned under item no. 2, 3 and 4 is annexed hereto.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed on September 14, 2016.
- 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) Proxy Form circulated to members with Notice.

Place: Navi Mumbai  
Date: August 22, 2016

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

## EXPLANATORY STATEMENT

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

### Item No. 2 of the Notice

**To appoint Statutory Auditors, subject to the directions of Comptroller and Auditor General of India and fix their remuneration**

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

The Statutory Auditor of the Company for the year 2016-17 will be appointed by C & AG 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. 3 of the Notice

**To appoint Shri Kishor P Kharat as a Director liable to retire by rotation**

Shri Kishor P Kharat was appointed as an Additional Director of the company on November 7, 2015 pursuant to section 161 of the Companies Act, 2013. Shri Kharat holds office of the Director upto the date of this Annual General Meeting. Members have proposed the candidature of Shri Kharat for the office of director liable to retire by rotation under the provision of section 160 of Companies Act 2013.

#### **Brief Profile:**

Shri Kishor Kharat, born on 4th September, 1958, is a graduate in commerce and Law and is a Certified Associate of the Indian Institute of Bankers. He also holds an Executive Diploma in Management.

Shri Kishor Kharat has assumed charge as Managing Director & CEO of IDBI Bank on August 14, 2015. Prior to the present assignment, Shri Kharat was posted as Executive Director, Union Bank of India. Prior to his stint at Union Bank of India, Shri Kharat had an immensely successful career spanning 37 years at Bank of Baroda. Shri Kharat has got a varied exposure across various aspects of banking, including credit, international business, information technology and general administration in India as well as overseas.

Shri Kharat to his credit has the honour of establishing a foreign subsidiary of Bank of Baroda in Trinidad & Tobago [West Indies] and headed the same as Managing Director for more than three years. His other foreign assignment was at Sharjah [UAE].

Shri Kharat has been a key driver for implementation of major financial inclusion initiatives and has worked closely with RBI as well as Government of India in this regard. Shri Kharat is a Member of the RBI Committee on Financial Inclusion, which has been given the responsibility of drawing a medium term roadmap for furthering financial inclusion in India.

None of the Directors, except Shri Kishor P. Kharat, is in any way concerned or interested in the Resolution.

### Item No. 4 of the Notice

**To appoint Shri Mohammad Afzal Khan as a Director not liable not to retire by rotation:**

Shri Mohammad Afzal Khan was appointed as an Additional Director of the company on August 22, 2016 pursuant to section 161 of the Companies Act, 2013. Shri Khan holds office of the Director upto the date of this Annual General Meeting. Members have proposed the candidature of Shri Kharat for the office of director not liable to retire by rotation under the provision of section 160 of Companies Act 2013 and Article of Association of the Company.

#### **Brief Profile of Shri M. A. Khan**

Mr. Khan is a Graduate in Mathematics. Post his graduation he did a course in Computer programming, System Analysis & Design. Before joining IDBI Bank in November 1988 in IT stream as Assistant Manager-IT, he had 3+ years of experience in IT industry. He grew in IDBI Bank from AM-IT to CGM over last 27+ years of service. During this period he developed systems like Payroll, Provision Calculation System, STP interface between legacy system and Finacle, Cheque printing interface, etc. During June -2012 to Nov-2014,

## Explanatory Statement

he was deputed to IDBI Intech Ltd. as Deputy CEO. For last two years he was designated as Chief Information Security Officer (CISO) and General Manager-Operational Risk. During this period, for consecutive two years, he was bestowed with Top 100 CISO award by InfoSecurity Magazine, a leading magazine on Information Security. He got ISO27001:2013 certification for Bank's DC & DR. He was nominated by the Bank for an International programme on Information Assurance conducted by IDRBT and Management Development programme by IIM - Ahmadabad.

None of the Directors, except Shri Mohammad Afzal Khan, is in any way concerned or interested in the Resolution.

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

Sd/-

Ritesh Kumar Jain  
Company Secretary

Place: Navi Mumbai  
Date: August 22, 2016



# Directors' Report

To,  
The Members of IDBI Intech Limited

Your Directors are pleased to present the 16th Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended March 31, 2016.

## Financial Results:

The financial highlights of the company for the year ended March 31, 2016 with comparative figures for the previous year are given below:

## Financial Highlights:

Particular As at Year end	Amount (₹ in Lakhs)	
	2015-16	2014-15
Income from Operations	5,654.91	5,355.06
Other Income	194.30	67.54
Total Income	5,849.21	5,422.60
Expenditure	5,160.68	4,711.30
Profit / (Loss) before Depreciation, Interest and Tax	688.53	711.30
Less: Depreciation	90.02	118.09
Profit / (Loss) before Interest and Tax	598.51	593.21
Less: Financial Charges	0.18	1.81
<b>Profit / (Loss) Before Extraordinary Items &amp; Tax</b>	<b>598.33</b>	<b>591.40</b>
Add Excess Depreciation due to change in Depreciation method from WDV to SLM.	39.79	-----
Less: Provision for Taxation	216.87	212.37
Add: Deferred Tax Income / (Expenditure)	0.84	18.44
<b>Profit / (Loss) After Tax</b>	<b>422.09</b>	<b>397.47</b>
Add: Prior Period Income / (Expenditure) (Net)	-----	0.08
<b>Profit / (Loss) for the Year</b>	<b>422.09</b>	<b>397.55</b>

## **Business Performance:**

### **Software Development and Customization**

INTECH's core strength is the blend of resources having wide Banking experience and Technical expertise who can take care of all the IT requirements of parent organization viz. IDBI Bank Ltd. and also cater to niche external market to generate additional revenue and improve profitability. With its well sounded expertise in Banking Technology, INTECH has delivered many state of the art in-house developed products by adopting newer technologies and innovative processes. More particularly, With its specialized skill sets on Core Banking Platform, it has developed many peripheral applications around Finacle and other application for Financial Inclusion, Tax payment portals, Treasury applications which are customer oriented.

The company's prime objective has been to provide technology services with optimal timelines for product rollouts and substantial cost savings to its parent organization, IDBI Bank. The Company, through its in-house product development / application customization capabilities provides state of the art innovative products and there by a competitive edge to IDBI Bank over its peer group. The designed and development of the products solution also go a long way to improve operational efficiency, turnaround time, enabling efficient and effective monitoring mechanism, reduce transaction cost and enable Bank to meet all regulatory requirements / compliances.

Intech also captures market intelligence to update with emerging technologies and solutions and extends its technology and functional expertise for identification of appropriate outsourced software solutions potentially useful to the Bank, handling end to end procurement processes, evaluation etc. in association with the Bank and thereafter implementation and integration of such solutions besides extending Project Management Services.

During the Financial Year 2015-16, 156 projects of various sizes were delivered through in house development besides other major outsourced projects. Some of the noteworthy initiatives are mentioned below:

### **Innovative Product Launches:**

A few noteworthy initiatives during the Financial Year 2015-16 were as follows:

#### **1) Mini Branch**

The aim of this product was to provide personalized Cheque Leaves, DD Printing and Cheque Deposit along with normal ATM operations on a simple kiosk as a self-service to the customers. Integration of the Mini Branch to the Core Banking System and the ATM switch was customized by in-house team. **IDBI Bank was the first bank in India to launch this product.**

#### **2) Abhay Card**

Abhay is a secure mobile application on the android platform aesthetically designed for IDBI Bank customers with the freedom to instantly control the card(s) from the comfort of one's smart phone. Using this application, Customer can get options to Switch the Debit card On / Off, Set a daily transaction limit, allow / disallow transactions for specific channels such as ATM / POS and view last 5 transactions in the account linked to the card. It goes a long way to address the security concerns of the customers and frauds can be minimized. **The product has won NetApp Innovation Awards in January 2016 and Skoch Smart Technology Awards 2015.**

#### **3) Anti Money Laundering Solution i-AML Version 2.0**

i-AML Version 2.0 was launched on 9th July 2015, after 3 years of launching version 1.0. It has improved operational efficiency, systems performance and provides 3600 view of all customer accounts besides improving the quality of STR reporting. The product has won Banking Frontier's Technoviti Award 2016.

#### **4) BC BF Integration with Finacle**

Agriculture Business Group of IDBI Bank has been appointing Business Correspondents (BC) and Business Facilitators (BF) in various parts of rural India mainly to build Priority Sector Asset portfolio. BC BF Applications has been developed by Intech for the Bank. It handles bulk account opening, online sanction of loans, loan disbursements and collection of repayment received by BC / BF. It has streamlines various processes at each stages by providing an interface with core banking. Thus it reduces the burden on the Branch and improves operational efficiency and customer service. The product has won Banking Frontier Finnoviti Awards 2016.

### **Initiatives to improve Customer Service:**

Intech developed several applications which provide better products and services to the customers to evoke customer delight. The major application introduced during FY 2015-16 were - Doorstep facility to capture Account Opening form and KYC documents for account opening with JusTab, eLobby with Cheque Deposit Kiosk with Cheque Truncation Facility, e-TF solution for online request for Letter of Credit and Bank Guarantee, Mandate Management System to complement NPCI initiatives for ACH Debit mandates, Missed call service to Bank's toll free number to provide account balance and mini statement, Online system for booking Forex rate for Retail & Small value transactions, installation of Bunch Note acceptor machines, ATM Pin change through IVR facility, G-Sec on ATM, online facility to invest in Sovereign Gold Bonds issued by Government of India, facility to make payment of contributions to National Pension Scheme through iNET Banking, Income tax e-Filing facility through Net Banking, etc.

The Customer Care Services which are managed by Intech for the Bank now provides 24X7 support to existing and potential

customers through its BCP sites at Belapur and Hyderabad.

All such initiatives enable the Bank to stay in competition on technology front with other leading Private Sector Banks.

### Initiatives to improve operational efficiency:

IDBI Bank offers Cheque Truncation System based clearing services to its sub-member co-operative banks at three grids centers viz. Mumbai, Delhi and Chennai and handles their Inward, Outward and Return clearing on daily basis. The manual process has been automated to make it error free, efficient and provide operational convenience.

### Payment System Initiatives:

Public Financial Management System (PFMS) is a Government of India (GoI), Ministry of Finance (MoF) project and managed by CGA Central General Account Dept (CGA) Delhi. They have connected all major banks of India with PFMS system. PFMS is becoming an integral part of Govt. payment. All Govt. ministries are now starting to route their payments through PFMS. IDBI is one of the few banks to complete this module and run it successfully. With this, Bank can approach ministries and other Govt. scheme originators so that they open their accounts with IDBI Bank and use this system. Intech has developed the required module for this purpose.

On Financial Inclusion (FI) front, with a view to provide interoperability Bank had decided to implement RuPay Card based transaction processing at FI gateway level. This has enabled Micro ATMs to carry out RuPay card pin based transactions. The successful implementation was done by Intech.

### Tax collection & Government Schemes:

IDBI Bank is currently one of the leading tax collection Bank. Till date the Bank is integrated with 25 States and has developed 31 modules to facilitate various tax collections online for State Government and Central Government Departments.

Collection of commercial taxes for these States is now done through e-payment. The arrangement to collect tax through Bank's portal was put in place and is now working smoothly. In the past it was done for various State Government Portals and no Online Payment option through Bank was available. Recently, the following States were covered where some additional modules were also provided to comply with RBI requirements.

- Kerala Online Government Receipt Accounting System (GRAS) Portal (Payment Modules)
- Karnataka Khajana II Tax Payment module (Payment and Verification Modules)
- Gujarat VAT / CST auto Reconciliation (e-Scroll Report)
- Rajasthan, Uttarakhand, Gujarat, Kerala, Telangana, Andhra Pradesh, Karnataka state Tax Payment (Digital signing e-Kuber Report modules)

Through these initiatives, Bank complements the Governments revenue collection efforts. Intech has developed all such applications for the Bank.

To facilitate promotion of Pradhan Mantri Jeevanjyoti Bima Yojana (PMJBY) & Pradhan Mantri Suraksha Bima Yojana (PMSBY) Intech developed a web based application for the Bank to capture application details from branches and to exchange the data between Life Insurance Corporation of India (LIC) and Bank. Bank is Master Policy holder of LIC for Pradhan Mantri Jeevanjyoti Bima Yojana (PMJBY). Similarly, the data exchange happens between Bajaj Allianz General Insurance Co. (BAGIC) and Bank where it is Master Policy holder of BAGIC for Pradhan Mantri Suraksha Bima Yojana (PMSBY).

### Implementation of applications procured from external vendor:

Bank has acquired Loan Processing System from external vendor. Its integration with core banking system and other systems is being carried out by Intech. The retail module has been successfully made live for Educational Loans, Vehicle Loans and Personal loan.

### Year end Activities:

The year end activities for FY 2015-16 were a challenge under extraneous circumstances. Special care and monitoring mechanism were put in place by Intech to ensure 24/7 availability of all the alternate channels. Intech also provided handholding and job training to the senior personnel during the last four days of the year to complete day to day activities. This ensured a smooth year end despite lack of adequate resources on the Bank side. Further, the systems were handed over to the branches on time on the 2<sup>nd</sup> of April 2016. It averted major disruption of services to Public at large and to Bank's valued customers.

There were various other initiatives where Intech provided technology solutions to the Bank for improving operational efficiency, turnaround time and reduce cost. As a collective result of all such initiatives IDBI Bank Ltd. won **Indian Bank's Association (IBA) Banking Technology Awards 2016** as runners up in 4 categories viz. Best use of Technology to enhance customer experience, Best Risk Management, Fraud and cyber security initiatives, Best use of Digital and Channels Technology and Technology Bank of the year.

### Human Resources Development

#### HR Initiatives taken during FY 2015-16

HR has strengthened its existing processes by automating modules like IT declaration, Tax submission, HR payroll that went Live during the year. Employee productivity improvement initiatives were undertaken by organising technical trainings on

HTML 5 & MSBI technologies, internal workshop on knowledge sharing focussed on cross domain skills were organised, employees were nominated for various summits / workshops & open certifications: more than 300 employees (more than 4000 man hours) were trained on various topics. Certification programs conducted on Oracle 11g, COBIT-5 Foundation, Certified Learning & Development Manager, Certified Recruitment Analyst, CISA, CCIE, IBM Tivoli Netcool / OMNIbus V7.4 Deployment, ITIL, Selenium Training and Certification course, Web Application Security, RHCE were availed under Skill upgradation scheme. Timesheet management was introduced through Project Management Portal in collaboration with Project Management team. During the Annual Social event, 145 employees were rewarded for their exemplary work as a part of the Reward & Recognition program.

## STATUTORY DISCLOSURE U/s 134 of Companies Act 2013

### a] Extract of Annual Return

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

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

#### 1. Board Meetings

During the Financial Year ended March 31, 2016, four meetings of the Board of Directors were held, as follows:

Sr. No.	Date	Total No. of Directors	No. of Directors Present
1)	April 22, 2015	6	6
2)	July 20, 2015	5	5
3)	November 7, 2015	6	6
4)	February 9, 2016	6	6

#### 2. Audit Committee of the Board

The Audit Committee of the Board comprised of following Directors as its members:

- 1) Shri B. Sambamurthy
- 2) Shri. B. K. Batra
- 3) Dr. N. L. Sarda
- 4) Prof. B. H. Jajoo
- 5) Shri Inderpal Singh Kalra

During the Financial Year ended March 31, 2016, four meetings of the Audit Committee of the Board were held, as follows:

Sr. No.	Date	Total No. of Directors	No. of Directors Present
1)	April 22, 2015	5	5
2)	July 20, 2015	5	5
3)	November 7, 2015	5	5
4)	February 9, 2016	5	5

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

The Nomination & Remuneration Committee of the Board comprises of following Directors as its members:

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

During the Financial Year ended March 31, 2016, three 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)	July 20, 2015	3	3
2)	November 7, 2015	3	3
3)	February 9, 2016	3	3

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

The Corporate Social Responsibility Committee of the Board comprises of following Directors as its members:

- 1) Shri B. K. Batra
- 2) Dr. N. L. Sarda
- 3) Shri Inderpal S. Kalra

During the Financial Year ended March 31, 2016, 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)	February 9, 2016	3	3

### c] Directors' Responsibility Statement

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

1) In the preparation of the annual accounts, for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;

2) Accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period ended on March 31, 2016.

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(5) of Companies Act 2013.

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

The Company has well defined Remuneration Policy & Appointment and Evaluation Policy for appointment of Directors and Key Managerial Personnel.

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

The Statutory Auditors of the Company are appointed by the Comptroller and Auditor General of India. M/s Lakhani & Lakhani, Chartered Accountants, Mumbai were appointed as Statutory Auditors for the Financial Year 2015-16

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 2015-16.

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

No contracts or arrangement as per sec 188(1) with related parties has been entered into by the company except the transaction in ordinary course of business during the F.Y. 2015-16 for which Omnibus approval is taken from Audit Committee of the Board at its meeting held on November 7, 2015. Detailed of transactions are attached as per Annexure - III in form AOC - II.

## **i) State of Companies Affairs**

In the last Annual General Meeting of the Company, Shri B. K.

Batra, Director was re-appointed as director of the Company.

Shri Kishor P. Kharat has been appointed as additional director and Chairman of the Board on November 7, 2015. IDBI Bank vide its office Order No. 974 had extended the deputation period of Shri Inderpal S. Kalra as MD & CEO for One year from June 30, 2015.

In terms of the relevant provisions of the Companies Act & Article 135 and 137 of the Articles of Association of the Company, appointments and re-appointments of directors shall be as per the items included in Notice of 16th Annual General Meeting of the Company.

Shri B. K. Batra, Director, had been appointed on the Board of IDBI Intech Limited as per IDBI Bank's letter dated October 7, 2009. Shri B. K. Batra is retiring from IDBI Bank on July 31, 2016. As per the provision of the Companies Act 2013, Shri B. K. Batra is liable to retire by rotation at the 16<sup>th</sup> Annual General Meeting of the Company, however as he is retiring from the service of IDBI Bank on July 31, 2016 he would be demitting office at the close of business hours on July 31, 2016.

In view of the above he will not be available for re-appointment. As a consequence of this, the Notice of the AGM will not contain the clause of a Director retiring by rotation and being eligible for re-appointment, as there is no such Director eligible as per the Companies Act.

## **j) The amount if any, proposes to carry to any reserve.**

During the F.Y. 2015-16, no amount has been proposed to carry to any reserve.

## **k) Dividend:**

Your directors have not recommended dividend for the Financial Year 2015-16.

## **l) Material Changes and commitments:**

During the F. Y. 2015-16 and as on the date of Board report, there is no material changes and commitments in the business affairs of the company which affects the financial position of the company.

## **m)Detail on the conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo**

### **i) Conservation of Energy:**

The operations of your company are not energy intensive.

### **ii) Technology Absorption:**

NIL

### **iii) Foreign Exchange earnings and Out go:**

The Company has earned foreign exchange amounting to ₹2,84,08,415/- and has out go of foreign exchange amounting to



## Directors' Report

₹ 54,97,941/- during the Financial year 2015-16 as compared to corresponding figures of ₹ 2,69,27,277/- and ₹ 57,90,604/- of 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 made by Independent Directors at their meeting held on March 21, 2016 and the Board of Directors has evaluated the performance of Independent Directors at its meeting held on April 25, 2016 as prescribed under Schedule IV of the Companies Act 2013

**Capital:**

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

**Fixed Deposits:**

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

**Whistle Blower Policy:**

Your Company has prescribed Whistle Blower Policy under HR policy of the Company. This policy has been framed for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct or ethics policy. There is no such event reported during F.Y. 2015-16.

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

As per the requirement of Section 22 of Sexual Harassment of Woman at work place (Prevention, Prohibition and Redressal)

Act, 2013, during the F.Y. 2015-16, there were no cases of sexual harassment received or reported.

**Acknowledgement**

The Board of Directors place on record their deep appreciation to all the employees of the company for their immense contribution, dedication and commitment, in achieving the company's goals and objectives. The Board also wishes to thank IDBI Bank Group Companies, its customers and other Business Associates for their support and co-operation. The Board expresses its sincere appreciation and deep gratitude to the management of IDBI Bank for their valuable advice and guidance as also the various functionaries within the Bank for their unstinted support and co-operation throughout the year.

For and on behalf of the Board

Place: Navi Mumbai  
Date: July 27, 2016

Sd/-  
Kishor P. Kharat  
Chairman



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

**As on financial year ended 31.03.2016**

**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	81.80
2)	Call Centre Services	72	14.82

**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	L65190MH2004GO I148838	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 2015]				No. of Shares held at the end of the year [As on 31 March 2016]				%Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
<b>A. Promoters</b>	---	---	---	---	---	---	---	---	---
<b>(1) Indian</b>									
a) Individual / HUF	---	---	---	---	---	---	---	---	---
b) Central Govt.	---	---	---	---	---	---	---	---	---
c) State Govt.(s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	Nil	1,31,28,207	1,31,28,207	100%	Nil	1,31,28,207	1,31,28,207	100%	Nil
e) Banks / FI	---	---	---	---	---	---	---	---	---
f) Any other	---	---	---	---	---	---	---	---	---
<b>Total shareholding of Promoter (A)</b>	<b>Nil</b>	<b>1,31,28,207</b>	<b>1,31,28,207</b>	<b>100%</b>	<b>Nil</b>	<b>1,31,28,207</b>	<b>1,31,28,207</b>	<b>100%</b>	<b>NIL</b>
<b>B. Public Shareholding</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>(1) Institutions</b>									
a) Mutual Funds	---	---	---	---	---	---	---	---	---

## Annexure - Form No. Mgt 9 - Extract of Annual Return

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

### B) Shareholding of Promoter:

No. Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
	No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	%change in shareholding during the year
1) IDBI Bank	1,31,28,201	99.99%	NIL	1,31,28,201	99.99%	NIL	NIL
2) IDBI Bank jointly with Shri Girish L. Joshi	1	0.0017	NIL	0	0	NIL	NIL
3) IDBI Bank jointly with Shri Deepak Gupta	1	0.0017	NIL	1	0.0017	NIL	NIL
4) IDBI Bank jointly with Shri Rakesh Kumar	1	0.0017	NIL	1	0.0017	NIL	NIL
5) IDBI Bank jointly with Smt. Vaishali Sanjay Nemlekar	1	0.0017	NIL	1	0.0017	NIL	NIL
6) IDBI Bank jointly with Shri Anup Kumar Janardhanan	1	0.0017	NIL	1	0.0017	NIL	NIL
7) IDBI Bank jointly with Shri Rajan Shukla	1	0.0017	NIL	1	0.0017	NIL	NIL
8) IDBI Bank jointly with Smt. Daksha Girdhar Boricha	0	0	NIL	1	0.0017	NIL	NIL

## Annexure - Form No. Mgt 9 - Extract of Annual Return

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

SN 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):

SN 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:

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

### V) INDEBTEDNESS:

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

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****AJ\*Remuneration to Managing Director, Whole-time Directors and / or Manager:**

(Amount in ₹)

SN	Particulars of Remuneration	*Shri Inderpal Singh Kalra (MD & CEO)	Total Amount
1)	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34,93,901*	34,93,901
	(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		
	<b>Total (A)</b>	<b>34,93,901</b>	<b>34,93,901</b>
	Ceiling as per the Act	---	---

\*Shri Inderpal Singh Kalra, MD &amp; CEO is on deputation from IDBI Bank and his salary is reimbursed to IDBI Bank as per their Invoice.

**BJ Remuneration to other Directors**

SN	Particulars of Remuneration	Name of Directors			Total
		Dr. N. L. Sarda	Prof. B. H. Jajoo	Shri B. Sambamurthy	
1)	Independent Directors				
	*Fee for attending board / committee meetings	1,00,000	85,000	1,05,000	2,90,000
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>1,00,000</b>	<b>85,000</b>	<b>1,05,000</b>	<b>2,90,000</b>
2)	Other Non-Executive Directors				
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B) = (1 + 2)</b>	<b>1,00,000</b>	<b>85,000</b>	<b>1,05,000</b>	<b>2,90,000</b>
	Total Managerial Remuneration	NA	NA	NA	NA
	Overall Ceiling as per the Act	NA	NA	NA	NA

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

**CJ Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		Shri Ritesh Kumar Jain, Company Secretary	Shri Dinyar Sutaria, CFO		
1)	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	14,84,613	28,39,583		43,24,196
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	NA	NA		0
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	NA	NA		0
2)	Stock Option	Nil	Nil		Nil
3)	Sweat Equity	Nil	Nil		Nil
4)	Commission	Nil	Nil		Nil
	As % of profit	Nil	Nil		Nil
	Others, specify	Nil	Nil		Nil
5)	Others, please specify	Nil	Nil		Nil
	<b>Total</b>	<b>14,84,613</b>	<b>28,39,583</b>		<b>43,24,196</b>

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

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

Place: Navi Mumbai  
Date: July 27, 2016

For and on behalf of the Board  
Sd/-  
Kishor P. Kharat  
Chairman

## ANNEXURE - II

### Report on CSR Activities

#### 1] Brief Outline of CSR Policy:

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

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

#### 2] Composition of CSR Committee:

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

S. No.	Name of the Member	Designation
1.	Shri B. K. Batra	Chairman of the Committee
2.	Dr. N. L. Sarda	Independent Director
3.	Shri Inderpal S. Kalra	MD & CEO

#### 3] Average Net Profit of the Company for last three F. Years - ₹ 3,82,30,986/-

#### 4] Prescribed CSR Expenditure (2% of the amount as in item 3) - ₹ 7,64,620/-

#### 5] Detail of CSR Spent during the financial year:

- a) Total Amount to be Spent for the Financial year: ₹ 7,64,620
- b) Amount unspent if any: ₹ 2,64,620/-
- c) Manner in which the amount spent during the F.Y. is detailed below



## Annexure II - Report on CSR Activities

S. No.	CSR Activity identified	Sector in which the project is covered	Location of project undertaken	Amount Outlay (Budget) project wise	Amount Spent on the project	Cumulative expenditure up to the reporting period	Amount Spent Direct or through implementing Agency
1.	Swach Bharat Kosh	Govt. of India project for promotion of sanitation	NA	NA	₹ 5 lakh	₹ 5 lakh	Directly contributed to Swach Bharat Kosh

### 6] Reason for not Spending Full Amount

While the company has adopted the CSR activities mentioned above, it was however desired that Intech being IT company, should preferably focus on the cause of IT education and related projects for the underprivileged. Accordingly the company made efforts to identify the relevant projects for CSR, however due to the limited time available, was not able to find the appropriate projects. As the budget would lapse at the end of the financial year, alternative avenues were also explored and company has contributed an amount of ₹ 5 Lakh in Swachh Bharat Kosh setup by Govt. of India.

### 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.

Sd/-  
Inderpal S. Kalra  
Managing Director & CEO

Sd/-  
B. K. Batra  
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 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 2015-16	43,57,95,874.00  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.	November 7, 2015	– Nil --

Date: July 27, 2016

Sd/-  
 Inderpal S. Kalra  
 Managing Director & CEO

## TO THE MEMBERS OF IDBI INTECH LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **IDBI INTECH LIMITED**, which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

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

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

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit / loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

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

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

- i. The Company has not disclosed the impact of pending litigations on its financial position in its financial statements. As per the information received from the management, all of these cases are pending of OBST division. And management is of the opinion that there will not be much of the financial impact of these litigations.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Place: Mumbai  
Date: 25th April 2016

For Lakhani & Lakhani  
Chartered Accountants  
Sd/-  
Shri Deepak M. Mojindra  
(Partner)  
Membership No.: 129704  
Firm Registration No.: 115728W

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

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

We have audited the internal financial controls over financial reporting of IDBI INTECH LTD as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended 31<sup>st</sup> March 2016.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting

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

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

Place: Mumbai  
Date: 25<sup>th</sup> April 2016

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



## Annexure - A Report on Write-off during the year

No. & Name of the Party	Amount Written off	Reason
1) Department of Financial Services (Ministry of Finances)	₹ 43,46,590/-	<p>The Department of Financial Services (DFS), Ministry of Finance, Government of India had awarded three work orders to IDBI Intech Limited (Intech)</p> <ol style="list-style-type: none"> <li>1. Audit of e-payments in Public Sector Banks</li> <li>2. E-Payment sensitization programme for bankers in 9 districts of Haryana</li> <li>3. Setting up of a Technical Cell at DFS for FI</li> </ol> <p>As per the work order, the payment for the assignment was to be released by NABARD out of Financial Inclusion (FI) fund &amp; Financial Inclusion Technical Fund.</p> <p>Intech had successfully completed all the assignments as per the scope and had raised 15 Invoices amounting to ₹ 52,26,368/- from 9<sup>th</sup> March, 2012 to 11<sup>th</sup> February, 2013 and submitted to DFS for release of payment through NABARD.</p> <p>Against these Invoices, Intech received payment for 6 Invoices amounting to ₹ 8,79,778/-. These payments were received from NABARD.</p> <p>Besides various letters, the matter was taken up personally by holding meetings with MoF - DFS by MD &amp; CEO on 8<sup>th</sup> October 2013 and 3<sup>rd</sup> February 2014 and NABARD Officials on 20<sup>th</sup> March 2014 but with no positive outcome.</p> <p>It was given to understand that Reserve Bank of India had objected to release of payment from FITF. As such Intech had represented the matter with NABARD, which had once again taken up with RBI. Finally, NABARD vide it's letter No. NB.FID.HO/269/FI-01/2014-15 dated 18<sup>th</sup> June 2014, informed us of their inability to make the payment as Reserve Bank of India had advised them that "activities mentioned in the case do not fall within the scope of Financial Inclusion Technology Fund (FITF)" and has reiterated their stand not to make the disbursements out of FITF for these activities.</p> <p>Hence, as per Income reversal &amp; write off policy of it was decided to write off the amount.</p>

2) Fidelity Bank

₹ 28,20,683/-

M/s. Fidelity Bank (Ghana) had placed an order for i-BCM tool for the replication of Oracle and MS SQL to their DR site.

The scope included installation, configuration & commissioning of the tool and also training the Fidelity internal team on the operations of the tool. The cost of the project was USD 90,500/- exclusive of taxes and expenses.

The payment terms of the project were as follows:

Particulars	
Advance on placement of order	50%
UAT Sign off	20%
Go Live	10%

Intech had booked the income of USD 45,250 on accrual basis as per the PO's payment terms of 50% advance on placing the order.

No. & Name of the Party	Amount Written off	Reason
		<p>Meanwhile, client's DR site was still under implementation. IBM was setting up the DR site for Fidelity Bank at the time of awarding the order to Intech. However IBM pursued with Fidelity to go for Automated DR Solution from M/s. Sanovi Technologies Ltd in lieu of Intech's BCM as Sanovi is a strategic partner of IBM.</p> <p>Therefore, Fidelity Bank neither made advance payment nor pursued with procurement of BCM. Intech had neither delivered the software nor was any implementation effort undertaken. Intech has not spent any amount on this project.</p> <p>As the project did not take off, it was decided to write off the amount as per the Income Reversal &amp; Write-off Policy.</p>

3) Dena Gujarat Grameen Bank	₹ 17,69,670/-	<p>The assignment for Management Consultancy Services for Business Process Re-engineering implementation was allotted to Intech by Dena Gujarat Gramin Bank vide their letter / purchase order No. DGGB/HO/MIS/107/2012-13 dated 30<sup>th</sup> April 2012 for total Cost of ₹ 45/- lakh.</p> <p>The commercials were stipulated as Total Price of the Management Consultancy Services for Business Process Re-engineering at ₹ 45/- lakh and all travel, local conveyance, lodging and boarding facility at actual were to be borne by DGGB.</p> <p>The project duration was fixed at five quarters and the fees were to be paid in five quarterly instalments of ₹ 9/- lakh per quarter.</p> <p>Intech has raised invoices amounting to ₹ 30,33,720/- out of which Intech has received an amount of ₹ 5,05,620/- which is 10% of the project cost plus applicable taxes on 29<sup>th</sup> November 2012, towards mobilization of resources and thereafter has not paid any amount.</p> <p>The matter was constantly followed-up with the bank.</p> <p>However, vide their letter No. GGB/HO/MIS/132/2014-15 dated 4<sup>th</sup> March 2015, Dena Bank requested Intech to consider the payment made on 29<sup>th</sup> November 2012 as full and final payment for the BPR project.</p> <p>Intech had turned down their offer to accept ₹ 4.50 lakh as full and final settlement and had taken up the matter with them to claim 80% payment against total project cost of ₹45 lakh, vide letter No.IIL/IT/15-16/007 dated 7<sup>th</sup> April 2015 by providing justification for its claim.</p> <p>The matter was being followed-up with DGGB and finally vide their letter No.DGGB/HO/MIS/108/2015-16 dated 22<sup>nd</sup> July 2015, the Bank had offered to release 25% project cost of ₹ 45 lakh i.e. ₹ 11,25,000/- as full and final settlement and having paid ₹ 4,50,000/- on 29<sup>th</sup> November 2012, agreed to release the balance amount of ₹6,75,000/-</p> <p>It was thus decided to write off the balance amount as per Income reversal &amp; write off policy.</p>
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No. & Name of the Party	Amount Written off	Reason
4) Life Insurance Corporation of India	₹ 2,82,822/-	<p>1) IDBI Intech had responded to the RFP floated by LIC for implementation of Lead Management System in July 2008 and was selected as the L1 vendor for implementation of the same at a total cost of ₹ 33,70,000/- The application was successfully implemented in September 2009 after UAT.</p> <p>As a part of the RFP, an amount of ₹ 3,00,000/- was the AMC per annum after initial warranty of 1 year. Till date Intech has received ₹ 32,03,333/- for the product and implementation plus AMC amount of ₹ 12,00,000/- as per the commercials quoted by Intech in the RFP.</p> <p>As per the RFP floated by LIC, IDBI Intech was to carry out training for LMS Software i.e. 12 batches at 5 centres. However the training was conducted for 4 batches only and LIC had accordingly released payment of ₹ 83,333/- (on a pro rata basis) for the same.</p> <p>Hence an amount of ₹ 1,66,667/- was write off as per Income Reversal &amp; Write off policy.</p> <p>2) In March 2010, LIC had requested for additional customisations to the existing LMS application and a quotation of ₹ 85,000/- was sent to them for the same.</p> <p>After the customisation was done and the invoice was raised, LIC sought removal of one of the modules from the customisation done and conveyed that they will not be able to pay for the customisation efforts as their management had sought removal of the functionality. Hence, LIC released a payment of ₹ 55,000/- against the invoice value of ₹ 97,155/- (Inclusive of taxes).</p> <p>The balance amount of ₹ 42,155/- was written off as per Income Reversal &amp; Write off policy.</p> <p>3) LIC wanted some more additions to be made to the LMS application; the same were done by IDBI Intech from time to time as Change Request at additional cost.</p> <p>Based on the oral confirmation, Intech had raised invoices for the AMC for the customizations done in the application from time to time @ 10% of the customization value amounting to ₹ 74,000/- (Inclusive of taxes).</p> <p>LIC after prolonged deliberations internally, responded that the AMC on customizations will not be paid by them as there was no provision for the same in the RFP.</p> <p>An amount of ₹ 74,000 had to be written off as per Income Reversal &amp; Write off policy.</p>
<b>Total</b>	<b>₹ 92,19,765/-</b>	

# Annexure to the Auditors' Report

## Annexure to the Auditors' Report

The Annexure referred to in our report to the members of IDBI Intech Limited for the year Ended on 31<sup>st</sup> March 2016. We report that:

No. Particulars	Auditors Remark
(i) a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	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) Whether title deeds of immovable properties are held in the name of the company. If not, provide details thereof.	There are no immovable properties as on the balance sheet date, hence Not Applicable
(ii) Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, how they have been dealt with in the books of account	N.A. as the company is in the business of IT related Services and Data center management.
(iii) Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	N.A.
b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	N.A.
c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	N.A.
(iv) In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	Not applicable as there were no loans, guarantees, securities given or investments made.
(v) In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	During the year, the Company has not accepted any deposits from the public.
(vi) Where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 whether such accounts and records have been made and maintained;	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.

No. Particulars	Auditors Remark
(vii) (a) is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated.	The Company has been generally regular in depositing undisputed applicable statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax and any Other Statutory Dues with the appropriate authorities during the year. In respect of the said dues, there are no outstanding dues as at 31st March 2016, which have remained unpaid for more than six months from the date they became payable.
(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	N.A.
(viii) Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	Not applicable as the company has not taken any loans or borrowings.
(ix) Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	Not Applicable as no moneys were raised by way of initial public offer or further public offer during the year.
(x) Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	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.
(xi) Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	The provision section 197 is not applicable to Government Company. MD & CEO is on deputation from IDBI Bank.
(xii) Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	The Company is not a Nidhi Company.
(xiii) Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
(xiv) Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for	During the year under review the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

No.	Particulars	Auditors Remark
	the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	According to our observation and information given to us the company has not entered into any non-cash transactions with directors or persons connected with him.
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The Company is not required to be registered under section 45-IA of RBI Act, 1934.

For Lakhani & Lakhani  
Chartered Accountants  
Sd/-  
Shri Deepak M. Mojidra  
(Partner)  
Membership No.: 129704  
Firm Registration No.: 115728W

Place: Mumbai  
Date: 25 April 2016



**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 2016**

The preparation of Financial Statement of IDBI Intech Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the Financial Statement under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 April 2016.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the Financial Statement of IDBI Intech Limited for the year ended 31 March 2016 under section 143 (6) (a) of the Act.

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



(Parama Sen)  
Principal Director of Commercial Audit and  
Ex-officio Member, Audit Board - I, Mumbai.

Place: Mumbai  
Date: 07 Jun 2016

# Balance Sheet as at 31<sup>st</sup> March 2016

	Refer Note No.	Year Ended 31 <sup>st</sup> March 2016 (₹)	Year Ended 31 <sup>st</sup> March 2015 (₹)
<b>Equity &amp; Liabilities</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	13,12,82,070	13,12,82,070
Reserves & Surplus	3	24,52,06,901	20,29,97,696
		<b>37,64,88,971</b>	<b>33,42,79,766</b>
<b>Current Liabilities</b>			
Trade Payables	4	2,06,910	2,81,816
Other Current Liabilities	5	1,02,39,631	68,01,259
Short Term Borrowings	6	(2,997)	(2,489)
Short Term Provisions	7	1,03,77,062	66,67,499
		<b>2,08,20,606</b>	<b>1,37,48,085</b>
<b>Total</b>		<b>39,73,09,577</b>	<b>34,80,27,851</b>
<b>Assets</b>			
<b>Non - Current Assets</b>			
Fixed Assets	8		
Tangible Assets		38,85,454	2,54,746
Intangible Assets		26,48,748	99,50,976
Capital Work in Progress			
Intangible Assets under Development		17,500	17,500
Deferred Tax Asset (Net)	9	35,01,433	34,17,279
Long Term Loans & Advances	10	13,48,41,106	15,56,07,834
Other Non Current Assets	11	4,93,426	1,09,37,603
		<b>14,53,87,667</b>	<b>18,01,85,938</b>
<b>Current Assets</b>			
Trade receivables	12	93,74,691	1,55,67,453
Cash & Bank Balances	13	22,72,76,332	14,81,50,918
Short Term Loans & Advances	14	1,52,70,887	41,23,542
		<b>25,19,21,910</b>	<b>16,78,41,913</b>
<b>Total</b>		<b>39,73,09,577</b>	<b>34,80,27,851</b>

Notes forming part of Financial Statements.

1 to 31

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

For and on behalf of the Board

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

Sd/-  
Shri Inderpal S. Kalra  
Managing Director & CEO

Sd/-  
Shri Kishor P. Kharat  
Chairman

Place: Navi Mumbai.  
Date: 25 April 2016

Sd/-  
Shri Ritesh Kumar Jain  
Company Secretary

Sd/-  
Shri Dinyar Sutaria  
CFO, GH - Admin & HR

# Profit & Loss Statement for the year ended 31<sup>st</sup> March 2016

	Refer Note No.	Year Ended 31 <sup>st</sup> March 2016 (₹)	Year Ended 31 <sup>st</sup> March 2015 (₹)
<b>Revenue</b>			
Revenue from Operations	15	56,51,76,376	53,55,25,875
Foreign exchange Gain / (Loss)		3,14,353	(19,486)
Other Income	16	1,94,30,684	67,54,388
<b>Total</b>		<b>58,49,21,413</b>	<b>54,22,60,777</b>
<b>Expenses</b>			
Employee Benefits Expenses	17	46,78,26,216	43,29,54,616
Other Operating Expenses			
Expenses for Information Technology (IT) Services	18	3,66,11,537	2,94,61,934
Expenses for National Contact Centre	19	29,36,911	29,36,365
Expenses for OBST	20	14,33,968	4,10,237
Administration & Other Expenses	21	72,59,360	53,66,915
Finance Cost			
Interest on OD		17,990	1,81,093
Depreciation & Amortization Expenses	8	90,02,511	1,18,09,922
<b>Total</b>		<b>52,50,88,493</b>	<b>48,31,21,082</b>
<b>Profit Before Extraordinary Items &amp; Tax</b>		<b>5,98,32,920</b>	<b>5,91,39,695</b>
Extraordinary Items			
Excess Depreciation due to change in Depreciation from WDV to SLM.		39,79,133	-----
		<b>39,79,133</b>	-----
<b>Profit Before Tax</b>		<b>6,38,12,053</b>	<b>5,91,39,695</b>
<b>Tax Expense</b>			
Current Tax		(2,16,87,000)	2,11,62,000)
Deferred Tax		84,152	18,44,344
Prior Period Tax Adjustment		-----	(75,244)
<b>Profit After Tax</b>		<b>4,22,09,205</b>	<b>3,97,46,795</b>
Prior Period Income (Net)		-----	8,466
<b>Profit for the year</b>		<b>4,22,09,205</b>	<b>3,97,55,261</b>
Earnings Per Share (Face Value Rs. 10/- per share)			
Basic & Diluted		3.22	3.03
Notes forming part of Financial Statements.	1 to 31		

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

For and on behalf of the Board

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

Sd/-  
Shri Inderpal S. Kalra  
Managing Director & CEO

Sd/-  
Shri Kishor P. Kharat  
Chairman

Place: Navi Mumbai.  
Date: 25 April 2016

Sd/-  
Shri Ritesh Kumar Jain  
Company Secretary

Sd/-  
Shri Dinyar Sutaria  
CFO, GH - Admin & HR

## 1) Significant Accounting Policies

- a System of Accounting:** The Financial Statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles.
- b Revenue Recognition:** Revenue from contracts priced on time and material basis are recognized when services are rendered & related costs are incurred. Revenue from sale of products is recognised on achievement of milestone basis & on transfer of property of goods as per agreed terms. Annual Technical Services revenue is recognised proportionately over the period in which the services are rendered. Revenue from National Contact Centre is recognised upon receipt of confirmation of sales. Other Income is accounted on Accrual basis. Revenue from Interest is recognised as a time proportion basis taking into account the amount outstanding and rate applicable.
- c Fixed Assets and capital work-in-progress:** Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for its intended use, less accumulated depreciation. The Softwares sold, on which propriety rights continue with the company, are capitalized at cost.
- d Depreciation:** Depreciation on fixed assets was being provided as per WDV method upto 31<sup>st</sup> March, 2015. The company now provides Depreciation as per Straight Line Method w.e.f. 1<sup>st</sup> April 2015, in compliance with Schedule II to the Companies Act, 2013, such that the assets are depreciated over their useful life. Financial impact of change in the depreciation method is disclosed under Note 8. Computers which were depreciated at the rate of 60 per cent are now being depreciated as per provisions of Schedule II. 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. Intangible Assets (Computer Software) are amortised equally over a period of five years in compliance with AS 26.
- e Foreign Currency Transactions:** Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Foreign monetary assets and liabilities are translated at the rate prevailing as on the date of balance sheet. The resulting exchange rate difference in translation are recognised in the Profit and Loss account for the year.
- f Employee Benefits:** Contribution to Provident Fund & ESIC is accounted on accrual basis. The company has created a trust for future payment of Gratuities & Leave Encashment, which is funded with Life Insurance Corporation of India (LIC). Annual Gratuity contributions are made as determined by LIC for purposes of payment. The liability for gratuity at the end of each financial year is determined based on actuarial valuation. The difference between such actuarially determined liability and contributions made to the fund is recognized as a liability / asset, as the case may be.
- g Income Tax:** Income tax comprises the current tax provision and the change in the deferred tax asset or liability in the year. The deferred tax assets and liabilities are calculated on the accumulated timing difference at the end of an accounting period based on prevailing enacted tax rates. Minimum Alternative Tax (MAT) is worked out and provided in accordance to the tax laws, which gives future economic benefit in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax in future. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.
- h Earning per Share:** The earning per share has been reported in accordance with AS-20, "Earning Per Share". Basic earnings per equity share have been computed by dividing profit after Tax by the number of equity shares outstanding as at the accounting year-end. Diluted earnings per equity share has been computed using the number of equity shares outstanding as at the accounting year end and the dilutive potential equity shares outstanding as on the accounting year end.
- i Leases:** Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit & loss on straight - line basis.
- j Impairment of Assets:** The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, is charged to Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses no longer exist or have decreased.
- k Provisions, Contingent Liabilities and Contingent Assets:**
- (i) A provision is recognised when there is a present obligation as a result of past event and it is possible that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.
  - (ii) Contingent Liabilities are disclosed by way of notes.
  - (iii) Contingent Assets are not recognised.
- l Cash & Cash Equivalents:** Cash & Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and deposits with bank with an original maturity of three months or less.

2) Share Capital	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
<b>Authorised Capital</b>		
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
	<b>1,00,00,00,000</b>	<b>1,00,00,00,000</b>
<b>Issued, Subscribed &amp; Paid up</b>		
1,31,28,207 equity shares of ₹ 10/- each fully paid up	13,12,82,070	13,12,82,070
	<b>13,12,82,070</b>	<b>13,12,82,070</b>

IDBI Bank Ltd. holds 100% of the paid-up share capital of the Company.

3) Reserves & Surplus	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
<b>Profit &amp; Loss Account</b>		
Opening balance	20,29,97,696	16,32,42,435
(+) Net Profit/(Net Loss) For the current year	4,22,09,205	3,97,55,261
Closing Balance	<b>24,52,06,901</b>	<b>20,29,97,696</b>

4) Trade Payables	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Creditors other than SSI		
Creditors for Expenses	2,06,910	2,81,816
	<b>2,06,910</b>	<b>2,81,816</b>

5) Other Current Liabilities	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
TDS Payable - Contractual Payments	47,805	68,691
TDS Payable - Professional Services	6,14,938	1,89,549
TDS Payable - Rent	16,890	17,848
TDS Payable - Salaries	29,171	----
Amounts Payable to IDBI	16,34,998	18,90,659
Expenses Payable	10,70,973	2,48,587
CST / Vat payable	5,625	----
Profession Tax Payable	9,23,545	9,43,851
NMMC / LBT Payable	94,226	63,000
Sundry Creditors	46,38,282	27,32,259
Income Received in Advance	11,63,178	6,46,815
	<b>1,02,39,631</b>	<b>68,01,259</b>

6) Short Term Borrowings	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Secured		
IDBI Bank - Overdraft	(2,997)	(2,489)
	<b>(2,997)</b>	<b>(2,489)</b>

Overdraft facility availed from IDBI Bank is secured against current assets of the company and carries interest @ Base rate + 2% p.a. (present effective 12.25% p.a.)

7) Short Term Provisions	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Provision for Employee Benefits	1,03,77,062	66,67,499
	<b>1,03,77,062</b>	<b>66,67,499</b>

Provision for employee benefits include Salary, Employer & Employee contributions to various statutory funds as per applicable statutes. Salary of ₹ 36.12 Lakh pertaining to OBST employees which remained unclaimed for more than three years as on 31<sup>st</sup> March, 2016 has been transferred to Labour Welfare Dept. in the current year. ₹ 6.38 Lakh due in FY 2016-17 will be transferred to Labour Welfare Dept.

**Note 8: Schedule of Fixed Assets**

	Gross Block			Depreciation			Net Block	
	As on 01/04/15	Additions	Deletion / Adjustment	As on 31/03/16	Reversal (WDV-SLM)	Additions Deletion/ Adjustment	As on 31/03/16	As on 01/04/15
<b>Tangible Fixed Assets</b>								
<b>Information Technology Division</b>								
Computer & Accessories	1,64,86,117	12,55,649	----	1,77,41,766	(18,48,882)	10,07,072	1,56,18,831	25,476
Office Equipment	31,41,589	69,476	----	32,11,065	(3,27,982)	2,14,244	29,77,571	50,280
Power equipments	23,32,035	----	----	23,32,035	----	----	23,32,035	----
Furniture & Fixtures	2,70,686	----	----	2,70,686	(24,731)	4,827	2,44,504	6,278
Motor Car	20,02,698	----	----	20,02,698	(11,46,421)	2,50,337	9,97,919	108,695
Electrical Installation	4,22,967	----	----	4,22,967	(2,16,134)	42,297	1,99,085	50,045
<b>National Contact Centre</b>								
Office Equipment	8,51,237	----	----	8,51,237	(14,940)	9,000	8,44,456	841
Computer & Accessories	16,51,004	26,733	----	16,77,737	(3,62,004)	1,63,226	14,46,668	5,558
Electrical Installation	20,000	----	----	20,000	(10,122)	2,000	8,400	3,478
Furniture & Fixtures	4,22,367	----	----	4,22,367	(27,917)	7,280	3,97,635	4,095
	<b>2,76,00,700</b>	<b>13,51,858</b>	<b>----</b>	<b>2,89,52,558</b>	<b>(39,79,133)</b>	<b>17,00,283</b>	<b>2,50,67,104</b>	<b>2,54,746</b>
<b>Intangible Fixed Assets</b>								
<b>Information Technology Division</b>								
Intangible Assets	3,50,47,393	----	----	3,50,47,393	----	70,09,476	3,24,57,191	95,99,678
<b>National Contact Centre</b>								
Intangible Assets	14,63,758	----	----	14,63,758	----	2,92,752	14,05,212	3,51,298
	<b>3,65,11,151</b>	<b>----</b>	<b>----</b>	<b>3,65,11,151</b>	<b>----</b>	<b>73,02,228</b>	<b>3,38,62,403</b>	<b>99,50,976</b>
<b>Total</b>	<b>6,41,11,851</b>	<b>13,51,858</b>	<b>----</b>	<b>6,54,63,709</b>	<b>(39,79,133)</b>	<b>90,02,511</b>	<b>5,89,29,507</b>	<b>1,02,05,722</b>
<b>Intangible Assets Under Development</b>	<b>17,500</b>	<b>----</b>	<b>----</b>	<b>17,500</b>	<b>----</b>	<b>----</b>	<b>17,500</b>	<b>----</b>
<b>Pre. Period Figures</b>	<b>6,38,15,781</b>	<b>2,96,070</b>	<b>----</b>	<b>6,41,11,851</b>	<b>----</b>	<b>1,18,09,922</b>	<b>5,39,06,129</b>	<b>1,02,05,722</b>

The company has changed its method of depreciating its Assets from Written Down Value to Straight Line Method. Accordingly there is a retrospective write back of depreciation for ₹ 39.79 Lakh. This has reduced Accumulated Depreciation & increased the Profit by ₹ 39.79 Lakh.



9) Deferred Tax	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Deferred Tax Asset - Depreciation	35,01,431	34,17,279
Deferred Tax Liability - Depreciation	-----	-----
<b>Net Deferred Tax (Liability) / Asset</b>	<b>35,01,431</b>	<b>34,17,279</b>
10) Long Term Loans & Advances (Unsecured, Considered good)	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Sundry Deposits	59,90,339	9,99,339
Tax Refund Due	11,95,12,790	15,00,24,368
OBST Reimbursement (IDBI)	-----	2,55,661
Accrued Interest On FD's	61,47,947	11,38,436
Adjusted Refund against assessment of A.Y. 10-11	31,90,030	31,90,030
	<b>13,48,41,106</b>	<b>15,56,07,834</b>
11) Other Non Current Assets	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Long Term Trade Receivables	4,93,426	1,09,37,603
	<b>4,93,426</b>	<b>1,09,37,603</b>
12) Trade Receivables (Unsecured, considered good)	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Over Six Months	21,35,293	8,821
Less than Six Months	80,65,383	1,55,58,632
Provision for Doubtful Debts	(8,25,985)	-----
	<b>93,74,691</b>	<b>1,55,67,453</b>
13) Cash & Bank Balances	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Cash & Cash Equivalents		
Cash in Hand	14,860	16,547
Current Account Balances (Includes Sweep In Deposit Balance)	1,16,19,705	1,09,82,631
Deposits with original maturity less than three months.	5,69,00,000	4,48,67,232
	6,85,34,565	5,58,66,410
Other Bank Balances		
Deposits (Original maturity more than 3 months but less than 12 months)	9,64,69,344	6,91,59,319
Deposits with original maturity exceeding twelve months.	6,22,72,423	2,31,25,189
	<b>15,87,41,767</b>	<b>9,22,84,508</b>
	<b>22,72,76,332</b>	<b>14,81,50,918</b>
14) Short Term Loans & Advances (Unsecured, considered good)	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Prepaid Insurance Charges		
Mediclaime Insurance	6,26,555	3,55,248
Vehicle Insurance	23,504	18,896
Group Term Insurance	77,103	63,481
Other Assets Insurance	9,298	9,834
Income Receivable	1,13,24,385	20,75,791
Other Advances	14,597	2,424
PRI Line Reimbursement	460	32,100
Miscellaneous Services Reimbursement	3,17,355	-----
Advance to Employees	15,000	-----
TDS on Provisions	4,839	-----
Service Tax Credit	5,80,259	2,58,534
Service Tax paid on Provisions	13,87,338	6,104
Prepaid Expenses	6,01,453	3,94,361
Leave Encashment Receivable from LIC	2,88,741	9,06,769
	<b>1,52,70,887</b>	<b>41,23,542</b>

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

15) Revenue from Operations	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
<b>Sale of Products</b>		
Income from Sale of Software	2,02,34,134	1,04,09,132
<b>Sale of Services</b>		
Income from Information Technology (IT) Services	45,82,57,542	45,00,72,240
Income from National Contact Centre	8,66,84,700	7,50,25,450
Income from OBST	-----	19,053
	<b>56,51,76,376</b>	<b>53,55,25,875</b>
16) Other Income	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Interest on Fixed Deposits	1,24,78,679	65,71,648
(TDS C.Y ₹ 7,23,022/-, P.Y. ₹ 5,98,743/-)		
Interest on Income Tax Refund	68,60,544	-----
Miscellaneous Income	2,500	-----
Provisions Written Back	88,961	1,82,740
	<b>1,94,30,684</b>	<b>67,54,388</b>
17) Employee Benefits Expenses	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Salary, Incentives & Allowances	41,20,45,321	38,48,10,942
Contribution to Gratuity	61,80,489	58,63,163
Contributions to PF	2,28,32,838	2,16,07,293
Contributions to ESIC	21,61,106	21,10,727
Contributions to LWF	41,629	44,778
Staff Welfare Expenses	2,45,64,833	1,85,17,713
	<b>46,78,26,216</b>	<b>43,29,54,616</b>
18) Expenses for Information Technology (IT) Services	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Electricity Charges	11,17,270	8,09,570
Communication Charges	33,73,268	26,72,082
Printing & Stationery	15,35,533	13,39,454
Office & Maintenance	9,19,979	9,17,824
Travelling & Conveyance	93,28,024	1,11,00,758
Motor Car Expenses	3,76,089	3,72,722
Professional / Technical Fees Paid	41,63,999	45,03,780
Data Entry Charges	-----	8,64,283
Postage & Courier Charges	74,946	1,05,177
Hiring Charges	20,04,423	21,99,194
Rent, Rates & Taxes	14,149	1,38,945
Miscellaneous Expenses	58,438	64,870
Fees for Tender Document	19,900	650
Recruitment Expenses	26,22,815	3,20,110
Bank Charges	1,56,057	1,32,223
Meeting Expenses	25,863	23,951
Debtors w/o	92,19,765	35,15,966
Provision for Doubtfull Debts	8,25,985	-----
Registration Charges	40,000	-----
Gifts and Other Expenses	-----	3,000
Repair and Maintenance		
Vehicle	1,27,599	51,454
Other	56,067	27,945
Subscription Fees Paid	47,033	75,226
Training, Seminar and Conference Expenses	5,04,335	1,22,750
Advertisement Expenses	-----	1,00,000
	<b>3,66,11,537</b>	<b>2,94,61,934</b>

19) Expenses for National Contact Centre	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Communication Charges	1,14,993	85,117
Printing & Stationery	1,65,811	1,59,929
Office & Maintenance	21,53,277	20,74,465
Travelling & Conveyance	1,00,142	1,10,988
Rent, Rates & Taxes	180	-----
Legal & Professional Fees	3,51,878	3,12,223
Hiring Charges	800	-----
Postage & Courier Charges	7,956	6,620
Meeting Expenses	160	589
Miscellaneous Expenses	6,809	5,529
Recruitment Expenses	33,800	1,26,900
Repair and Maintenance	1,105	54,005
	<b>29,36,911</b>	<b>29,36,365</b>

20) Expenses for OBST	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Communication Charges	-----	121
Travelling & Conveyance	34,009	3,825
Legal & Professional Fees	12,50,750	2,50,618
Postage & Courier Charges	25	39
Office Maintenance	-----	4,733
Miscellaneous Expenses	1,49,184	1,50,181
Bank Charges	-----	720
	<b>14,33,968</b>	<b>4,10,237</b>

21) Administration & Other Expenses	Year ended 31 <sup>st</sup> Mar 16 (₹)	Year ended 31 <sup>st</sup> Mar 15 (₹)
Communication Charges	2,52,695	1,18,295
Printing & Stationery	8,62,254	6,32,443
Office & Maintenance	6,21,307	5,75,843
Travelling & Conveyance	68,698	89,546
Network Management Cost	63,996	64,055
Legal & Professional Fees Paid	20,16,642	19,20,772
Payment to the Auditor as;		
Statutory Audit Fees	1,00,000	1,00,000
Tax Audit Fees	35,000	30,000
Internal Audit Fees	2,50,000	2,40,000
Out of Pocket Expenses	20,000	17,190
Insurance Charges	34,224	42,496
Rent, Rates & Taxes	9,07,594	4,78,659
Miscellaneous Expenses	90,520	55,137
Bank Charges & Commission	630	1,200
Meeting Expenses	13,046	10,603
Postage & Courier	3,942	411
Subscription Fees	1,30,424	1,57,386
Gifts & Other Expenses	6,15,645	4,09,129
Directors' sitting fees & Other Exp	5,24,531	2,75,990
Recruitment Expenses	9,900	4,620
CSR Expenses	5,00,000	-----
Others	19,350	540
Training, Seminar and Conference Expenses	1,18,962	1,42,600
	<b>72,59,360</b>	<b>53,66,915</b>

**22) Related Party Transactions**
**Year ended 31<sup>st</sup> Mar 16 (₹)**
**Year ended 31<sup>st</sup> Mar 15 (₹)**

(I) Shri Inderpal S. Kalra (Key Management Personnel) (On Deputation from IDBI Bank Ltd.)

Salary	34,93,901	32,50,746
	<b>34,93,901</b>	<b>32,50,746</b>

(ii) IDBI Federal Life Insurance Co. Ltd.

(Holding company has beneficial ownership i. e. IDBI Bank Ltd.)

Information Technology Services	<b>2,48,54,252</b>	<b>2,81,18,448</b>
---------------------------------	--------------------	--------------------

**23) Earnings Per Share**
**Year ended 31<sup>st</sup> Mar 16 (₹)**
**Year ended 31<sup>st</sup> Mar 15 (₹)**

(a) Profit after Tax (In ₹)	4,22,09,205	3,97,46,795
(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 ₹)	3.22	3.03

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

**24) Foreign Currency Transactions (In ₹)**
**Year ended 31<sup>st</sup> Mar 16 (₹)**
**Year ended 31<sup>st</sup> Mar 15 (₹)**

Earnings in Foreign Currency		
Information Technology Services	2,84,08,415	2,69,27,277
Expenditure in Foreign Currency		
Travel allowances to employees on Overseas Project	54,17,153	57,90,604
Overseas Business Development Expenses	-----	-----
Overseas Conference & Subscription Expenses	80,788	-----
	<b>54,97,941</b>	<b>57,90,604</b>

**25) Leases**
**Year ended 31<sup>st</sup> Mar 16 (₹)**
**Year ended 31<sup>st</sup> Mar 15 (₹)**

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	5,06,760	5,41,613
Later than one year and not later than five year	-----	-----
Later than five years	-----	-----
<b>Total of future minimum lease payments</b>	<b>5,06,760</b>	<b>5,41,613</b>
Total minimum lease payments recognized in the Profit and Loss		
Account under the head Hiring Charges	<b>20,05,223</b>	<b>21,09,200</b>

**26) Segmental Reporting**

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

**Particulars**
**A) Segment Revenue**
**Year ended 31<sup>st</sup> Mar 16 (₹)**
**Year ended 31<sup>st</sup> Mar 15 (₹)**

Information Technology	47,84,91,676	46,05,00,425
Call Centre	8,66,84,700	7,50,25,450
	<b>56,51,76,376</b>	<b>53,55,25,875</b>
Less: Intersegment Revenue	-----	-----
<b>Income From Operations</b>	<b>56,51,76,376</b>	<b>53,55,25,875</b>

<b>B) Segment Results</b>	<b>Year ended 31<sup>st</sup> Mar 16 (₹)</b>	<b>Year ended 31<sup>st</sup> Mar 15 (₹)</b>
Information Technology	6,16,05,173	7,43,79,236
Call Centre	1,66,20,713	1,31,35,334
	<b>7,82,25,886</b>	<b>8,75,14,570</b>
Less: Other Unallocable Expenditure net of Unallocable Income	1,44,13,833	2,83,74,875
<b>Total Profit Before Tax</b>	<b>6,38,12,053</b>	<b>5,91,39,695</b>
Less: Income Tax	2,16,02,848	1,93,92,900
<b>Profit After Tax</b>	<b>4,22,09,205</b>	<b>3,97,46,795</b>
Add: Prior Period Income (Net)	-----	8,466
<b>Net Profit For The Year</b>	<b>4,22,09,205</b>	<b>3,97,55,261</b>

<b>C) Segment Assets</b>	<b>Year ended 31<sup>st</sup> Mar 16 (₹)</b>	<b>Year ended 31<sup>st</sup> Mar 15 (₹)</b>
Information Technology	2,81,51,946	3,32,60,908
Call Centre	73,49,408	77,24,058
Unallocated Corporate Assets	35,83,06,785	30,36,25,606
	<b>39,38,08,139</b>	<b>34,46,10,572</b>

<b>D) Segment Liabilities</b>	<b>Year ended 31<sup>st</sup> Mar 16 (₹)</b>	<b>Year ended 31<sup>st</sup> Mar 15 (₹)</b>
Information Technology	1,20,20,981	36,79,404
Call Centre	31,46,739	15,94,119
Unallocated Corporate Liabilities	56,52,882	84,74,562
	<b>2,08,20,602</b>	<b>1,37,48,085</b>

**Capital Employed (Segment Assets - Segment Liabilities)**

Information Technology	1,61,30,965	2,95,81,504
Call Centre	42,02,669	61,29,939
Unallocated	35,26,53,903	29,51,51,044
	<b>37,29,87,537</b>	<b>33,08,62,487</b>

<b>E) Capital Expenditure</b>	<b>Year ended 31<sup>st</sup> Mar 16 (₹)</b>	<b>Year ended 31<sup>st</sup> Mar 15 (₹)</b>
Information Technology	13,25,125	2,52,377
Call Centre	26,733	43,693
	<b>13,51,858</b>	<b>2,96,070</b>

<b>F) Depreciation</b>	<b>Year ended 31<sup>st</sup> Mar 16 (₹)</b>	<b>Year ended 31<sup>st</sup> Mar 15 (₹)</b>
Information Technology	85,28,253	1,10,91,850
Call Centre	4,74,258	7,18,072
	<b>90,02,511</b>	<b>1,18,09,922</b>

**27) Contingent Liabilities & Commitments**

**(I) Contingent Liabilities**

**(a) Gurantees;**

The Company has issued Bank guarantee of ₹ 104.67 lakhs to customers for its IT Projects. As at 31<sup>st</sup> March 2016, the contingent liabilities under these guarantees amounted to ₹ 104.67 lakhs (P.Y.: ₹12.67 lakhs).

**(b) Salary Payable to Ex employees**

The Company may have to pay compensation amounting to ₹ 6.29 lakh to Ex employees of the erstwhile OBST Vertical as per the Jaipur High Court Order and the Regional Labour Commissioner Delhi. The same is being contested by the company.

**(ii) Commitments**

C Y. Nil, P.Y. Nil

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

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

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

<b>I. ASSUMPTIONS:</b>	<b>1/4/2015 - 31/3/2016</b>	<b>1/4/2014 - 31/3/2015</b>
DISCOUNT RATE [PREVIOUS]	8.08%	9.31%
RATE OF RETURN ON PLAN ASSETS [PREVIOUS]	8.08%	8.70%
SALARY ESCALATION [PREVIOUS]	7.00%	8.00%
ATTRITION RATE [PREVIOUS]	2%-3%	1%-3%
DISCOUNT RATE [CURRENT]	7.95%	8.08%
RATE OF RETURN ON PALN ASSETS [CURRENT]	7.95%	8.08%
SALARY ESCALATION [CURRENT]	7.00%	7.00%
ATTRITION RATE [CURRENT]	2%-3%	2%-3%
<b>II. TABLE SHOWING CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:</b>	<b>1/4/2015 - 31/3/2016</b>	<b>1/4/2014 - 31/3/2015</b>
PRESENT VALUE OF BENEFIT OBLIGATION AS AT THE BEGINNING OF THE CURRENT PERIOD	2,85,57,525	2,30,58,245
INTEREST COST	23,07,448	21,46,723
CURRENT SERVICE COST	58,12,083	52,94,279
LIABILITY TRANSFERRED IN	----	----
(LIABILITY TRANSFERRED OUT)	----	----
(BENEFIT PAID)	(27,31,711)	(23,73,939)
ACTUARIAL (GAINS) / LOSSES ON OBLIGATIONS	5,81,328	5,59,492
Due to change in financial assumptions		
ACTUARIAL (GAINS) / LOSSES ON OBLIGATIONS	(60,953)	(1,27,275)
Due to experience		
<b>"PRESENT VALUE OF BENEFIT OBLIGATION AS AT THE END OF THE CURRENT PERIOD"</b>	<b>3,44,65,720</b>	<b>2,85,57,525</b>
<b>III. TABLE OF FAIR VALUE OF PLAN ASSETS:</b>	<b>1/4/2015 - 31/3/2016</b>	<b>1/4/2014 - 31/3/2015</b>
FAIR VALUE OF PLAN ASSETS AT THE BEGINNING OF THE PERIOD	2,81,07,625	2,29,72,074
EXPECTED RETURN ON PLAN ASSETS	22,71,096	19,98,570
CONTRIBUTIONS	58,15,947	54,99,434
TRANSFER FROM OTHER COMPANY	----	----
(TRANSFER TO OTHER COMPANY)	----	----
(BENEFIT PAID)	(27,31,711)	(23,73,939)
ACTUARIAL GAIN / (Losses) ON PLAN ASSETS	1,88,321	11,486
<b>FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD</b>	<b>3,36,51,278</b>	<b>2,81,07,625</b>
<b>IV. TABLE OF RECOGNITION OF ACTUARIAL GAINS / LOSSES:</b>	<b>1/4/2015 - 31/3/2016</b>	<b>1/4/2014 - 31/3/2015</b>
ACTUARIAL (GAINS) / LOSSES ON OBLIGATION FOR THE PERIOD	5,20,375	4,32,217
ACTUARIAL (GAINS) / LOSSES ON ASSET FOR THE PERIOD	(1,88,321)	(11,486)
SUBTOTAL	3,32,054	4,20,731
<b>ACTUARIAL (GAINS) / LOSSES RECOGNIZED IN INCOME &amp; EXPENSES STATEMENT</b>	<b>3,32,054</b>	<b>4,20,731</b>
<b>V. TABLE OF RECOGNITION OF TRANSITIONAL LIABILITY:</b>	<b>1/4/2015 - 31/3/2016</b>	<b>1/4/2014 - 31/3/2015</b>
UNRECOGNIZED TRANSITIONAL LIABILITY AT THE START OF THE PERIOD	----	----
TRANSITIONAL LIABILITY INCURRED DURING THE PERIOD	----	----
(TRANSITIONAL LIABILITY RECOGNIZED DURING THE PERIOD)	----	----
<b>UNRECOGNIZED TRANSITIONAL LIABILITY AT THE END OF THE PERIOD</b>	<b>----</b>	<b>----</b>
<b>VI. ACTUAL RETURN ON PLAN ASSETS:</b>	<b>1/4/2015 - 31/3/2016</b>	<b>1/4/2014 - 31/3/2015</b>
EXPECTED RETURN ON PLAN ASSETS	22,71,096	19,98,570
ACTUARIAL GAINS / (LOSSES) ON PLAN ASSETS	1,88,321	11,486
<b>ACTUAL RETURN ON PLAN ASSETS</b>	<b>24,59,417</b>	<b>20,10,056</b>
<b>VII. AMOUNT RECOGNIZED IN THE BALANCE SHEET:</b>	<b>1/4/2015 - 31/3/2016</b>	<b>1/4/2014 - 31/3/2015</b>
FAIR VALUE OF PLAN ASSETS AT THE END OF THE PERIOD	3,36,51,278	2,81,07,625
(PRESENT VALUE OF BENEFIT OBLIGATION AS AT THE END OF THE PERIOD)	(34,465,720)	(28,557,525)
DIFFERENCE	(8,14,442)	(4,49,900)
<b>NET (LIABILITY) / ASSET RECOGNIZED IN THE BALANCE SHEET</b>	<b>(8,14,442)</b>	<b>(4,49,900)</b>



<b>VIII. EXPENSES RECOGNIZED IN THE INCOME STATEMENT:</b>		
	<b>1/4/2015 - 31/3/2016</b>	<b>1/4/2014 - 31/3/2015</b>
CURRENT SERVICE COST	58,12,083	52,94,279
INTEREST COST	36,352	1,48,153
(EXPECTED RETURN ON PLAN ASSETS)	-----	-----
ACTUARIAL (GAIN) / LOSSES	3,32,054	4,20,731
<b>EXPENSE RECOGNIZED IN THE INCOME STATEMENT</b>	<b>61,80,489</b>	<b>58,63,163</b>
<b>IX. BALANCE SHEET RECONCILIATION</b>		
	<b>1/4/2015 - 31/3/2016</b>	<b>1/4/2014 - 31/3/2015</b>
OPENING NET LIABILITY	4,49,900	86,171
EXPENSE AS ABOVE	61,80,489	58,63,163
NET TRANSFER IN	-----	-----
(NET TRANSFER OUT)	-----	-----
(EMPLOYER'S CONTRIBUTION)	(58,15,947)	(54,99,434)
<b>NET LIABILITY / (ASSET) RECOGNIZED IN THE BALANCE SHEET</b>	<b>8,14,442</b>	<b>4,49,900</b>
<b>X. OTHER DETAILS:</b>		
	<b>1/4/2015 - 31/3/2016</b>	<b>1/4/2014 - 31/3/2015</b>
NO OF MEMBERS	977	900
SALARY PM	1,48,47,582	1,34,07,481
PRESCRIBED CONTRIBUTION FOR NEXT YEAR (12 MONTHS)	75,42,483	62,61,983
NOTES: Gratuity is payable as per company's scheme as detailed in the report. Actuarial gains / losses are accounted for in the period of occurrence. Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand and supply of the employees. Opening liability and service cost is as per the information given by the client.		
<b>XI. CATEGORY OF ASSETS:</b>		
	<b>1/4/2015 - 31/3/2016</b>	<b>1/4/2014 - 31/3/2015</b>
GOVERNMENT OF INDIA ASSETS	-----	-----
CORPORATE BONDS	-----	-----
SPECIAL DEPOSITS SCHEME	-----	-----
EQUITY SHARES OF LISTED COMPANIES	-----	-----
PROPERTY	-----	-----
INSURER MANAGED FUNDS	3,36,51,278	2,81,07,625
OTHER	-----	-----
<b>TOTAL</b>	<b>2,81,07,625</b>	<b>2,29,72,074</b>
<b>XII. EXPERIENCE ADJUSTMENT:</b>		
	<b>1/4/2015 - 31/3/2016</b>	<b>1/4/2014 - 31/3/2015</b>
ON PLAN LIABILITY (GAINS) / LOSSES	(60,953)	(127,275)
ON PLAN ASSETS (LOSSES) / GAINS	1,88,321	11,486

31) 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 31<sup>st</sup> March 2016.

	2015-16	2014-15
Amount (₹)	Amount (₹)	Amount (₹)
Cash flow from operating activities		
Net Profit / Loss before Income tax & Extra ordinary items	5,98,32,920	5,91,39,695
<b>Adjustment for:</b>		
Depreciation charges for the year	90,02,511	1,18,09,922
Interest on Overdraft	17,990	1,81,093
Prior Period Income / (Expenses) (Net)	----- 90,20,501	8,466 1,19,99,481
<b>Operating Profit before working capital changes</b>	<b>6,88,53,421</b>	<b>7,11,39,176</b>
Decrease / (Increase) in Sundry Debtors	61,92,759	4,41,55,469
Decrease / (Increase) in Loans & Advances	(1,04,48,018)	1,76,31,243
(Decrease) / Increase in Current Liabilities	70,72,521	28,17,262 (1,54,42,197)
<b>Net cash flow from operating activities</b>	<b>7,16,70,683</b>	<b>11,74,83,691</b>
(Payment) / Refund of Income Tax	88,24,578	(2,17,97,924)
<b>Cash flow from Investment Activities</b>		
Investment in Fixed deposit with maturity exceeding three months	(6,64,57,259)	(6,69,29,396)
Purchase of Fixed Assets (Net)	(13,51,858)	(6,78,09,117) (2,96,070) (6,72,25,466)
<b>Cash flow from Financing Activities</b>		
Interest on Overdraft	(17,990)	(1,81,093)
Dividend Paid	----- (17,990)	----- (1,81,093)
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>1,26,68,155</b>	<b>2,82,79,208</b>
Opening cash and cash equivalent	5,58,66,410	2,75,87,202
Closing cash and cash equivalent	6,85,34,565	5,58,66,410
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>1,26,68,155</b>	<b>2,82,79,208</b>

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

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

For and on behalf of the Board

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

Sd/-  
Shri Inderpal S. Kalra  
Managing Director & CEO




















Sd/-  
Shri Kishor P. Kharat  
Chairman

Place: Navi Mumbai.  
Date: 25 April 2016

Sd/-  
Shri Ritesh Kumar Jain  
Company Secretary

Sd/-  
Shri Dinyar Sutaria  
CFO, GH - Admin & HR

## Our Clients

 सेंट्रल बैंक ऑफ़ इंडिया सेन्ट्रल बैंक ऑफ़ इंडिया Central Bank of India	 IDBI BANK	 ओरियन्टल बैंक ऑफ़ कॉमर्स ORIENTAL BANK OF COMMERCE
 ICICI Bank	 भारतीय रिज़र्व बैंक Reserve Bank of India भारत का केंद्रीय बैंक	 SOUTH INDIAN Bank
 PMC BANK PUNJAB AND HARYANABHIL CO-OPERATIVE BANK LTD MULTI-STATE SCHEDULED BANK	 Andhra Bank Where India Banks	 बैंक ऑफ़ महाराष्ट्र Bank of Maharashtra 1958 1958-81 2000 एक बँका एक देश
 Bank Sohar بنك صحر	 EQUITY Bank + Your Listening, Caring Partner	 FIDELITY BANK
 GTBank Guaranty Trust Bank, plc	 LIC भारतीय जीवन बीमा निगम LIFE INSURANCE CORPORATION OF INDIA	 Karnataka State Natural Disaster Monitoring Centre
 IDBI mutual	 IDBI capital	 IDBI FEDERAL IN ASSOCIATION WITH AGREE IDBI Federal Life Insurance Co Ltd
	 CANARA ROBECO Mutual Fund	

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Group Lending Solution

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Branch Value Management

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