



IRIS BUSINESS SERVICES LIMITED

Our Company was originally incorporated as IRISBUSINESS.COM (INDIA) PRIVATE LIMITED at Mumbai, Maharashtra as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated October 03, 2000 bearing registration number 128943 issued by Assistant Registrar of Companies, Maharashtra, Mumbai. Consequently, the name of our Company was changed to IRISBUSINESS Services (India) Private Limited and thereafter to IRIS Business Services Private Limited and fresh certificate of incorporation upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai dated October 27, 2003 and Deputy Registrar of Companies, Maharashtra, Mumbai dated July 13, 2009 respectively. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on May 13, 2010 and fresh certificate of incorporation consequently upon change of name was issued by Assistant Registrar of Companies, Maharashtra, Mumbai dated June 29, 2010 and to consequent legal status the name of our Company was changed to "IRIS Business Services Limited". Our Company was originally listed on SME platform of BSE Limited on October 11, 2017, subsequently migrated on the Main Board platform of BSE Limited vide their notice no. 20211103-16 dated November 03, 2021 and also directly listed to Main Board platform of NSE vide their letter NSE/LIST/03 dated November 03, 2021. The Corporate Identification Number is L72900MH2000PLC128943.

Registered Office: T-231, Tower 2, 3rd Floor, International Infotech Park, Vashi Station, Vashi Thane MH-400703 India

Tel No: +91 22 6723 1000 | **Email:** cs@irisbusiness.com | **Website:** www.irisbusiness.com

Contact Person: Santoshkumar Sharma, Company Secretary & Compliance Officer

PROMOTERS OF OUR COMPANY ARE SUBRAMANIAM SWAMINATHAN, DEEPTA RANGARAJAN AND BALACHANDRAN KRISHNAN. FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF IRIS BUSINESS SERVICES LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UPTO 19,21,816 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [•] EACH INCLUDING A SHARE PREMIUM OF ₹ [•] PER RIGHTS EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ 3200[@] LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF ([•]) RIGHTS EQUITY SHARE(S) FOR EVERY ([•]) FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [•] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS ₹ [•] WHICH IS ([•]) TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE [•] OF THIS DRAFT LETTER OF OFFER.

@Assuming full subscription

AMOUNT PAYABLE PER RIGHTS EQUITY SHARE*(Revised)	FACE VALUE (₹)	PREMIUM (₹)	TOTAL (₹)
On Application	[•]	[•]	[•]
Total	[•]	[•]	[•]

* For further details on Payment Schedule, see "Terms of the Issue" on page [•].

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The securities being offered in the Issue have not been recommended nor approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of the investors is invited to "Risk Factors" beginning on page [•] of this Draft Letter of Offer before making an investment in this Issue

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our Company are listed on BSE Limited ("BSE") and National Stock Exchange of India ("NSE") (the "Stock Exchanges"). Our Company has received "In-Principle" approvals from BSE and NSE for listing the Rights Equity Shares through their respective letters dated [•]. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited.

LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
	FEDEX SECURITIES PRIVATE LIMITED B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 Fax No.: 022 2618 6966 E-mail ID: mb@fedsec.in Website: www.fedsec.in Investor Grievance E-Mail ID: mb@fedsec.in Contact Person: Yash Kadakia SEBI Registration Number: INM000010163		LINK INTIME PRIVATE LIMITED C-101, 247 Park, Lal Bahadur Shastri Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083 Tel. No: 022- 4918 6200 E-mail Id: irisbusiness.rights@linkintime.co.in Website: www.linkintime.co.in Contact Person: Ms. Shanti Gopalkrishnan SEBI Registration No: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON:	[•]
LAST DATE ON MARKET RENUNCIATION*	[•]
ISSUE CLOSURES ON:#	[•]

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I - GENERAL

CONVENTIONAL AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

*The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in **"Statement of Special Tax Benefits"** and **"Financial Statements"** beginning on pages 59 and 82, respectively, shall have the meaning given to such terms in such sections.*

CONVENTIONAL / GENERAL TERMS

TERM	DESCRIPTION
"IRIS Business Services Limited", "IRIS", "We" or "us" or "Our Company" or "the Issuer"	Unless the context otherwise indicates or implies refers to IRIS Business Services Limited, a company incorporated as a Public Limited Company under the provisions of the Companies Act, 1956 with its registered office at T-231, Tower 2, 3rd Floor, International Infotech Park, Vashi Station, Vashi, Thane, MH - 400703 India.
AOA/Articles / Articles of Association	The Articles of Association of IRIS Business Services Limited, as amended from time to time.
Audited Financial Statements or Financial Statements	The audited Consolidated and Standalone Financial Statements of our Company as at and for the year ended March 31, 2021 and the Audited Consolidated and Standalone Financial Results for the Year ended March 31, 2022.
Auditors / Statutory Auditors	The current statutory auditors of our Company KKC & Associates LLP (Formerly known as M/s. Khimji Kunverji & Co. LLP).
Board / Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted from time to time including any Committees thereof as the context may refer to.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Santoshkumar Sharma.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Balachandran Krishnan.
Director(s)	Director(s) on the board of IRIS Business Services Limited as appointed from time to time, unless otherwise specified.
Equity Shares/Shares	Equity Shares of our Company having face value of ₹ 10.00/- each, fully paid up, unless otherwise specified in the context thereof.
Equity Shareholders / Shareholders	Persons /entities holding Equity Shares of our Company from time to time.
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to section titled "Our Management" on page 77 of this Draft Letter of Offer.
ISIN	International Securities Identification Number is INE864K01010.
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer "Our Management" on page 77 this Draft Letter of Offer.

TERM	DESCRIPTION
MoA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Promoter	Subramaniam Swaminathan, Deepta Rangarajan and Balachandran Krishnan.
Promoter Group	Shyama Balachandran.
Registered Office	T-231, Tower 2, 3rd Floor, International Infotech Park, Vashi Station, Vashi, Thane, MH - 400703 India.
Roc/Registrar of Companies	Registrar of Companies, Maharashtra, Mumbai.

ISSUE RELATED TERMS

TERM	DESCRIPTION
Abridged Letter of Offer or ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
Allotment, Allot or Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, ICICI Bank Limited.
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Person(s) who is Allotted Equity Shares pursuant to Allotment.
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue.
Application Money	Aggregate amount payable in respect of the Equity Shares applied for in the Issue at the Issue Price for the Application.
Application Supported by Blocked Amount or ASBA	Application used by an ASBA Investor to make an application Authorizing the SCSB to block the Application Money in a the ASBA Account maintained with the SCSB.
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular

TERM	DESCRIPTION
	bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Banker to the Issue Agreement	Agreement dated 23 rd February 2022 amongst our Company, the Lead Managers, the Registrar to the Issue and the Banker(s) to the Issue for receipt of the Application Money from Applicants/Investors making an application, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement
Bankers to the Issue	Collectively, the Escrow Collection Bank, the Allotment Account Banks and the Refund Account Bank to the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "Terms of the Issue" beginning on page 141.
BSE	BSE Limited
Common Application Form / CAF	The application form used by Investors to make an application for Allotment under the Issue.
Controlling Branches or Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited
Draft Letter of Offer	This draft letter of offer dated August 11, 2022 filed with Stock Exchanges.
Eligible Shareholder(s) Equity	Holder(s) / Beneficial Owner of the Equity Shares of our Company as on the Record Date.
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application.
Escrow Collection Bank, Allotment Account Bank(s) or Refund Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, ICICI Bank Limited.
GBP	Great Britain Pound
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, [•], and the Renouncee(s)
ISIN	International securities identification number
Issue Agreement	Agreement dated 18 th February 2022 entered into between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	[•]
Issue Opening Date	[•]

TERM	DESCRIPTION
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [•] per Equity Share payable
Issue Proceeds or Gross Proceeds	Gross proceeds of the Issue
Issue Size	Upto 19,21,816 Fully Paid Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [•] (Including a premium of ₹ [•]) per Rights Equity Share not exceeding an amount of ₹ [•] lakhs.
Lead Managers	Fedex Securities Private Limited (Formerly known as Fedex Securities Limited)
Letter of Offer or LOF	The final letter of offer to be filed with the Stock Exchanges and SEBI
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see " Objects of the Issue " beginning on page 51
NRI(s)	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations
Non –Institutional Investor(s)	An Investor other than a Retail Individual Investor and a Qualified Institutional Buyer
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [•]
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Equity Shares, being [•].
Refund Account Bank	The Banker to the Issue with whom the refund account will be opened, in this case being ICICI Bank Limited
Registrar to the Issue or Registrar	Link Intime India Private Limited
Registrar Agreement	Agreement dated 18 th February 2022 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Renouncee(s)	Any person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders

TERM	DESCRIPTION
Renunciation Period	The period during which the Investor can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [•] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement(s) / RE's	Number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [•] Equity Shares for every [•] Equity Shares held by an Eligible Equity Shareholder
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at website of SEBI and / or such other website(s) as may be prescribed by SEBI from time to time.
Stock Exchanges	Stock exchange where the Equity Shares are presently listed, being BSE Limited and National Stock Exchange of India Limited
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Day(s)	In terms of Regulation 2 (1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

INDUSTRY RELATED TERMS

TERM	DESCRIPTION
BFSI	Banking, Financial Services and Insurance
BPM	Business Process Outsourcing
CAGR	Compounded Annual Growth Rate
C U	Construction and Utilities
DPIIT	Department for Promotion of Industry and Internal Trade
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GOI	Government of India
IT & ITeS	Information Technology-Information Technology Enabled Services
NAC	Nasscom Assessment of Competence

TERM	DESCRIPTION
RoI	Return on Investment
ROW	Rest of the World
Rs.	Indian Rupee
RegTech	Regulatory Technology
SaaS	Software-as-a-Service
SEZ	Special Economic Zone
SMB	Small and Medium Businesses
STPI	Software Technology Parks of India
T M	Telecom and Media
T T	Travel and Transport
US\$	US Dollar
UT	Union Territory

ABBREVIATIONS

TERM	DESCRIPTION
"₹", "Rs.", "Rupees" or "INR"	Indian Rupees
Adjusted loans and advances	Adjustment in the nature of addition to the loans and advances made in relation to certain loans which are treated as investments under Ind AS, but considered as loans by our Company
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
CAGR	Compound annual growth rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate identification number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013 along with the rules made thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CRAR	Capital adequacy ratio/Capital to risk assets ratio
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DP ID	Depository participant's identification
DIN	Director Identification Number
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortisation expense, as presented in the statement of profit and loss
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share
FCNR Account	Foreign currency non-resident account
FDI Circular 2020	Consolidated FDI Policy dated 15 th October, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India

TERM	DESCRIPTION
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal Year or Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GoI or Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
Income Tax Act	Income-Tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
IFRS	International Financial Reporting Standards
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ITAT	Income Tax Appellate Tribunal
LTV	Loan to value ratio
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
Net Asset Value per Equity Share or NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
Net Worth	Aggregate of Equity Share capital and other equity
NBFC	Non-banking financial companies
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on 3 rd October, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA.

TERM	DESCRIPTION
PAN	Permanent account number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, Mumbai
RTGS	Real time gross settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Stock Exchanges	National Stock Exchange of India Limited and BSE Limited
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S.\$, USD or U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S)
U.S. QIB	Qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act
USA, U.S. or United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

NOTICE TO OVERSEAS INVESTOR

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and the application form and the issue of the Rights Entitlement and the Rights Equity Shares to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Managers, the Stock Exchanges.

Our Company, the Lead Managers, and the Registrar will not be liable for non-receipt of dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlement and the Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any offering materials or advertisements in connection with the Issue may not be distributed, whole or in part, in or into in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer or the Application Form or the Rights Entitlement Letter in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form.

Any person who makes an application to acquire rights and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any Application form as invalid where they believe that Application form is incomplete or acceptance of such Application form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of the Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer or the date of such information.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted or dispatched from the United States (unless the Application Form is submitted by a U.S. QIB in the United States who is also a QP) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

Neither the receipt of the Letter of Offer nor any sale of Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer or the date of such information.

THE CONTENTS OF THE LETTER OF OFFERS SHOULD NOT BE CONSTRUED AS LEGAL, TAX, BUSINESS, FINANCIAL OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR ASTO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF THE EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGERS OR ITS AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS ENTITLEMENTS OR THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The rights entitlements and the rights equity shares have not been and will not be registered under the United States securities act of 1933, as amended (the "US Securities Act"), or any U.S. State securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the "United States" or "U.S."), except in a transaction exempt from the registration requirements of the securities act. The rights entitlements and the rights equity shares referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which this draft letter of offer relates is not, and under no circumstances is to be construed as, an offering of any rights equity shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, this draft letter of offer should not be forwarded to or transmitted in or into the United States at any time. Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States of America. Envelopes containing an application form should not be postmarked in the United States of America or otherwise dispatched from the United States of America or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer, no payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer, the Abridged Letter of Offer and Application form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or the Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States of America (ii) does not have a registered address (and is not otherwise located) in the United States when the buy order is made and (iii) it is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable law, rules and regulations. Our Company, in

consultation with the Lead Manager, reserves the right to treat as invalid any Application form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes that the CAF is incomplete or the acceptance of such CAF may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such CAF. Rights Entitlement may not be transferred or sold to any person in the United States of America.

NOTICE TO THE INVESTOR

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

FORWARD-LOOKING STATEMENTS

This Draft Letter of Offer contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "propose", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

All statements contained in the Draft Letter of Offer that are not statements of historical facts constitute "*forward-looking statements*". All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Letter of Offer regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Draft Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- Impact of epidemics and pandemics with respect to recent example of COVID-19 on our business and operations;
- General economic and business conditions in the markets in which we operate and in the local, Regional, National and International economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government(s) could adversely affect economic conditions in India and consequently our business may get affected to some extent;
- Our business and financial performance is particularly based on market demand and supply of our products;
- The performance of our business may be adversely affected by changes in, or regulatory policies of the Indian National, State and Local Governments;
- Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under "**Risk Factors**" and "**Our Business**" beginning on pages 21 and 68, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on our revenue could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Draft Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue

reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer and neither our Company nor the Lead Managers undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

CERTAIN CONVENTIONS

In this Draft Letter of Offer, unless the context otherwise indicates or implies, references to 'IRIS Business Services Limited', the 'Company', 'our Company', the 'Issuer' are to IRIS Business Services Limited, and references to 'we', 'our' or 'us' are to IRIS Business Services Limited.

In this Draft Letter of Offer, references to the 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Draft Letter of Offer in "crore", "million" and "lakh" units. One crore represents 1,00,00,000. One lakh represents 1,00,000. One million is 10 lakhs.

FINANCIAL DATA

Unless stated otherwise and unless context requires otherwise, the financial data in this Draft Letter of Offer is derived from the Financial Statements. Our Fiscal commences on April 1 and ends on March 31 of the following calendar year. For details, see "**Financial Statements**" on page 82.

We have prepared our Financial Statements for the financial year 2021-22 and 2020-21 in accordance with the applicable Indian Accounting Standards ("IND AS") and other accounting principles accepted in India. Our Company publishes its financial statements in Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

MARKET AND INDUSTRY DATA

Aside from the above, unless stated otherwise, market, industry and demographic data used in this Draft Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information contained in such publication has been obtained from sources believed to be reliable but that the accuracy and completeness of that information are not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified by us or the Lead Managers, and neither our Company nor the Lead Managers make any representation as to the accuracy of that information.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "**Risk Factors – We have not commissioned an industry report for the disclosures made in the section titled 'Industry Overview' and made disclosures based on the data available on the internet and such third-party data has not been independently verified by us.**" on page 21. Accordingly, Investors should not place undue reliance on this information.

Non-GAAP measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Net Worth, return on Net Worth, Net Asset Value per Equity Share, ratio of non-current liabilities-borrowings (including current maturities of long-term borrowings) / total equity, ratio of Total Borrowings / total equity and earnings before interest, tax, depreciation and amortization have been included in this Draft Letter of Offer. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the

industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency of Presentation

Unless otherwise specified or the context otherwise requires, all references to:

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of India; and
- 'US\$', 'USD', '\$' and 'U.S. Dollars' are to the legal currency of the United States of America.

The following table provides information with respect to the exchange rate for the Indian rupee per US\$1.00. The exchange rates are based on the reference rates released by Foreign Benchmark India Private Limited which is available on their website. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

Currency	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
1 US \$	75.81	73.50	75.39

Source: www.fbil.org.in

Note: In the event that any of the abovementioned dates of any of the respective financial years is a public holiday, the previous calendar day not being a public holiday has been considered.

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this draft Letter of Offer, including the sections, **“Objects of the Issue”**, **“Outstanding Litigation and Defaults”**, **“Our Business”** and **“Risk Factors”** on pages 51, 128, 68 and 21 respectively.

SUMMARY OF BUSINESS

Our business is made up of three segments which we call Collect, Create and Consume. The market categorises these segments as Suptech, Regtech and Datatech respectively. We are global, having served clients in over 41 countries. Increasingly our revenues are coming from our SaaS (Software as a Service) offerings.

Our “Collect” segment delivers technology to help regulators with improved oversight of those they regulate. This creates the Regtech opportunity for our “Create” Segment which provides software for enterprises to meet regulatory mandates imposed. We see Regtech SaaS as the growth driver in the immediate future. Through our Datatech or “Consume” business which is still in its nascent stage, we seek to licence data or software for its analysis.

Historically, most of our revenues have come from iFile, the flagship product of the Collect division deployed by regulators. Three products – IRIS iDeal, IRIS Carbon and IRIS GST – each serving a distinct purpose, make up the Create segment. Recently, we have launched 2 new products, namely IRIS LOOKUP and IRIS LMS, on April 14, 2022 and May 16, 2022 respectively.

We have built our business around standards based reporting, more specifically, eXtensible Business Reporting Language or XBRL. XBRL has today been embraced by some 70 countries worldwide. We work with other standards too, like SDMX (Statistical Data Meta Exchange) most notably in the area of statistical reporting.

We are active in the global XBRL community. We have developed a wide range of capabilities; the employees of IRIS have multidisciplinary skills. We have taxonomy experts, software engineers, business analysts, accountants and data scientists who have all come together to provide solutions across the length of the information supply chain. All of this has placed us well to take advantage of the opportunities of a world which is increasingly discovering the need for moving to standards based reporting.

INDUSTRY OVERVIEW

As a software products company with an increasing contribution of SaaS revenues, the dynamics of the industry we operate in is very different from IT Services or ITES where Indian firms like TCS, Infosys, Wipro and so many others have done so well. Their work has laid the foundation for the increasing acceptance of Indian IT products and SaaS offerings globally. Today, India is the leading sourcing destination across the world, accounting for approximately 55% market share of the US\$ 200-250 billion global services sourcing business in 2019-20. The IT industry accounted for 8% of India’s GDP in 2020. A SaaS Boomi report entitled “Shaping India’s SaaS Landscape,” says that by the year 2030, the value-creation opportunity available to Indian SaaS companies could rival the value created by the larger Indian IT services industry. A report published by Chiratae Ventures with Zinnov describes the Indian SaaS revolution as a rising trillion dollar global opportunity.

The SaasBoomi report recognises that the SaaS opportunity could be broad-based with 400 and more domains. They have recognised that opportunities exist for providing solutions for regulatory compliance in every industry, from BFSI to healthcare, from manufacturing to services. Because Regtech, cuts across all industries, across all business sizes, across all geographies. As does Suptech and Datatech.

The growth in the industry is being driven by regulators going digital. From receiving physical documents in the analog era, regulators increasingly prefer electronic documents in this the digital world. The trend now is to move even beyond, from a document centric universe to a data centred one, creating the opportunity that IRIS seeks to serve. Regulators

need new software to receive these submissions, businesses need software to create these filings and everyone needs a way to analyse the data so submitted. Hence, IRIS.

Market Size

Frequently, the Suptech and Regtech market have been clubbed together and referred to as the eGRC opportunity. In a press release¹ published by them on the basis of a study of the eGRC opportunity, Polaris Market Research estimates it will reach \$ 96.98 billion by 2028, especially in the aftermath of covid, growing at a CAGR of over 14% between 2021-2028. This does not include the DataTech business. The lesson to draw is that each of the segments we operate in has enough headroom to accommodate our aspirations in terms of growth.

OBJECTS OF THE ISSUE

The Net Proceeds are proposed to be used in accordance with the details set forth below:

Sr.No	Objects – Description	Amount (Rs .in Lakhs)
1.	Funding organic growth initiatives	[•]
2.	Investment in Subsidiaries for augmenting its business development, sales, marketing and other related costs for future growth	[•]
3.	General Corporate Purposes*	[•]
TOTAL		[•]

**The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.*

Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio

For further details, see “**Objects of the Issue**” beginning on page 51.

INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTER

Our Promoters and Member(s) of the Promoter Group have, vide their letter dated 09th February 2022 (the “Subscription Letters”) confirmed that they would not participate in the Rights Issue, and accordingly they would not be subscribing to any Rights Entitlement renounced in their favor by any other Promoters or Member(s) of the Promoter Group of our Company in accordance with Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations.

The Promoter has confirmed that non-participation by the promoters in the Rights Issue will not result in a change of control or the management of the Company, and the aggregate shareholding of the Promoter and Promoter Group of the Company shall not be exceeding 75% of the issued, outstanding and fully paid-up equity share capital of the Company after the Issue.

Since the Promoters and other members of the Promoter Group would not participate in this Issue, Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations is not applicable.

The Promoter and other members of the Promoter Group would not be participating in the Rights Issue and accordingly, the holdings of the Promoter and other members of the Promoter Group will be within the minimum public shareholding requirements prescribed under applicable law.

SUMMARY OF OUTSTANDING LITIGATION AND DEFAULTS

A summary of material outstanding legal proceedings involving our Company, our Subsidiaries, our Directors and our Promoters identified in accordance with the SEBI ICDR Regulations as on the date of this Draft Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is provided below.

¹ <https://www.prnewswire.com/news-releases/enterprise-governance-risk--compliance-market-size-worth-96-98-billion-by-2028--cagr-14-1--polaris-market-research-301432800.html>

Sr No.	Nature & Type of Proceedings	No. of Cases	Amount in Rs.
I.	Litigation involving our Company		
	Proceedings involving criminal liability on our Company	NIL	NIL
	Proceedings involving material violations of statutory regulations by our Company ¹	1	1,74,700
	Proceedings involving non material violations of statutory regulations by our Company	1	11,800
	Matters involving economic offences where proceedings have been initiated against our Company	NIL	NIL
	Claims relating to direct and indirect taxes against the Company	8	31,49,423
	Other proceedings involving our Company, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	NIL	NIL
II.	Litigation involving the Subsidiaries		
	Proceedings involving criminal liability on our Subsidiaries	NIL	NIL
	Proceedings involving material/non material violations of statutory regulations by our Subsidiaries	NIL	NIL
	Matters involving economic offences where proceedings have been initiated against our Subsidiaries	NIL	NIL
	Claims relating to direct and indirect taxes against the Subsidiaries	NIL	NIL
	Other proceedings involving our Subsidiaries, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Subsidiaries	NIL	NIL
III.	Litigation involving our Directors (other than Promoters)		
	Proceedings involving criminal liability on our Directors	NIL	NIL
	Proceedings involving material/non material violations of statutory regulations by our Directors	NIL	NIL
	Matters involving economic offences where proceedings have been initiated against our Directors	NIL	NIL
	Claims relating to direct and indirect taxes against the Directors	NIL	NIL

The case was filed by the Company in relation to disputed Provident Fund dues – *The present status of the case is that the Company had filed a reply on the same in June 2016. The date of last hearing of the case was 25th August 2016 and the case is under Admitted (Unready) status. However please be noted that there was no stay to the EPFAT order which was in favour of the Company.* For further details please refer to page no. 128 of Section VI.

IV.	Litigation involving our Promoters		
	Proceedings involving criminal liability on our Promoters	NIL	NIL
	Proceedings involving material/non material violations of statutory regulations by our Promoters	NIL	NIL
	Matters involving economic offences where proceedings have been initiated against our Promoters	NIL	NIL
	Claims relating to direct and indirect taxes against the Promoters	4	30,66,632
	Total	14	64,02,555

RISK FACTORS

Specific attention of the Investors is invited to the section **“Risk Factors”** on page 21 of this Draft Letter of Offer. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

CONTINGENT LIABILITIES OF OUR COMPANY

For details of the contingent liabilities for the period ended March 31, 2022, December 31, 2021, March 31, 2021 and March 31, 2020, see **“Financial Statements”** on page 82.

RELATED PARTY TRANSACTIONS

For details of the Related Party Transactions entered into by our Company for the period ended March 31, 2022, December 31, 2021 and March 31, 2021, see **“Financial Statements”** on page 82 of this Draft Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Draft Letter of Offer.

SECTION II – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including in "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" before making an investment in our Equity Shares on page 68, 63, 122 and 81 of this DLOF.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of increasing many of the other risks described in this section, such as those relating to non-payment or default by customers. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the consequences to you of an investment in our Equity Shares.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to "we", "us" "our" refers to our Company together with our Subsidiaries, on a consolidated basis. For updates in relation to financial and operational performance, see "Management Discussion and Analysis Condition and Results of Operation" beginning on page 122.

INTERNAL RISKS

- 1. The quality of our customer support is important to our clients, and if we fail to offer quality customer support, clients may not use our solutions and our revenue from operations may decline.**

Client support is critical for the successful adoption of our products, especially in the early stages. If we are unable to provide the level of customer support to meet or exceed the expectations of our clients, we could experience a loss of clients and market share, we could fail to attract new clients, including in new geographic regions and we could also see increased service and support costs and a diversion of resources. Any of these results could negatively impact our results of operations, financial position and cash flow.

- 2. A substantial part of our business depends on clients continuing their use of our products and services. Any decline in our client retention would harm our future operating results.**

We do not have long term contracts with most of our regulatory and enterprise clients, and therefore rely on their continued use of our products and services. Voluntarily, as a result, client retention is an important part of our strategic business plan. There can be no assurance that our clients will continue to use our products and services to meet their ongoing needs, particularly in the face of competitors' products and services offerings. Our client retention rates may decline due to a variety of factors, including:

- Errors in filings generated by our software;
- our inability to demonstrate to our clients the value of our solutions;
- the price, performance and functionality of our solutions;
- the availability, price, performance and functionality of competing products and services;
- our clients' ceasing to use or anticipating a declining need for our services in their operations;

- consolidation in our client base;
- the effects of economic downturns and global economic conditions; or
- reduction in our clients' spending levels.

If our retention rates are lower than anticipated or decline for any reason, our net sales may decrease and our profitability may be affected, which could negatively impact our results of operations, financial position and cash flow.

3. We face competition from other players, which may affect our business operations and financial conditions.

We compete on the basis of the quality of our products, price, and service. The industry in which we operate is competitive and factors affecting our competitive success include, amongst other things, price, brand recognition and reliability. Our competitors vary in size, and have greater financial and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the overseas market as compared with us. Competitive conditions in some of our segments have caused us to offer lower net selling prices resulting in reduced gross margins and net earnings. New competitors may include foreign-based companies and domestic companies who could enter our markets. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

4. Our Company, Directors and our Promoters are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.

There is no assurance that in future, we, our promoters, our directors or group companies may not face legal proceedings; any adverse decision in such future legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Promoters, Directors, Group Company and Subsidiaries see the section titled "**Outstanding Litigation and Defaults**" on page 128 of this Draft Letter of Offer.

5. A failure to adapt to technological changes to address the changing demands of clients may adversely impact our business, and if we fail to successfully develop, introduce or integrate new products or enhancements to our products and services platforms, it may affect our business operations.

Our ability to attract new clients and increase sales to existing clients will depend in large part on our ability to enhance and improve our existing products and services platforms. Our operating results would suffer if our innovations are not responsive to the needs of our clients, are not appropriately timed with market opportunities or are not brought to market effectively. In addition, it is possible that our assumptions about the features that we believe will drive purchasing decisions for our potential clients or renewal decisions for our existing clients could be incorrect. There can be no assurance that new products or services, or upgrades to our products or services, will be released on schedule or that, when released, they will not contain defects as a result of poor planning, execution or other factors during the product development lifecycle. If any of these situations were to arise, we could suffer adverse publicity, damage to our reputation, loss of net sales, and delay in market acceptance or claims by clients brought against us.

Moreover, upgrades and enhancements to our platforms may require substantial investment and there can be no assurance that our investments will help us achieve or sustain a durable competitive advantage in our products and services offerings. If clients do not widely adopt our solutions or new innovations to our solutions, we may not be able to justify the investments we have made. If we are unable to develop, license or acquire new solutions or enhancements to existing services on a timely and cost-effective basis, or if our new or enhanced solutions do not achieve market acceptance, our business, results of operations and financial condition will be materially negatively impacted.

6. Changes in the rules and regulations to which clients or potential clients are subject may impact demand for our products and services.

Many of our clients are subject to rules and regulations requiring certain printed or electronic communications governing the form, content and delivery methods of such communications. Changes in these regulations may impact clients'

business practices and could reduce demand for our products and services. Changes in such regulations could eliminate the need for certain types of communications altogether or such changes may impact the quantity or format of communications.

7. Our performance and growth depend on our ability to develop client relationships that will enhance our sales and marketing efforts.

We depend on users of our solutions to generate client referrals for our services. We depend in part on the regulators, BFSI clients, enterprises and other third parties who use our products and services to recommend our solutions to their client base, which allows us to reach a larger client base than we can reach through our direct sales and internal marketing. For instance, in the regulatory space, a portion of our revenue from operations is derived from referrals by existing regulatory clients that have adopted and are using our solutions in the past. These referrals are an important source of new clients for our solutions.

A decline in referrals we receive could require us to devote substantially more resources to the sales and marketing of our services, which would increase our costs, potentially lead to a decline in our revenue from operations, slow our growth and negatively impact our results of operations, financial position and cash flow.

8. Undetected errors or failures found in our products and services may result in loss of or delay in market acceptance of our products and services that affect our business operations.

Our products and services may contain undetected errors or scalability limitations particularly when first introduced or as new versions are released. We frequently release new versions of our products and different aspects of our platform and may even customize our products. Despite testing by us and by current and potential clients, errors may not be found in new products and services until after commencement of commercial availability or use, resulting in a loss of or a delay in market acceptance, damage to our reputation, client dissatisfaction and reductions in our revenue and profit margins which could negatively impact our business operations.

9. We have experienced negative cash flows in relation to our operating activities and investment activities in recent years/periods. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

Our Company has experienced negative cash flows, the details of which are summarized below:

Particulars	FY ended March 31, 2022	FY ended March 31, 2021
Net Cash from operating activities	₹ (41.23) Lakh	₹ 1178.37 Lakh
Net cash used in investing activities	₹ (4.44) Lakh	₹ (322.62) Lakh
Net cash used in Financing Activities	₹ 26.80 Lakh	₹ (441.63) Lakh

Any negative cash flows in future could adversely affect our Company's results of operation and financial condition. For further details please see the section titled "**Financial Information**" on page no 81 of this Letter of Offer

10. Our failure to maintain the confidentiality, integrity and availability of our systems, software and solutions could seriously damage our reputation and affect our ability to retain clients and attract new business.

Maintaining the confidentiality, integrity and availability of our systems, software and solutions is an issue of critical importance for us and for our clients and users who rely on our systems to prepare regulatory filings and store and exchange large volumes of information, much of which is proprietary, confidential and may constitute material non-public information for our clients. Inadvertent disclosure of the information maintained on our systems due to human error, breach of our systems through hacking or cybercrime or a leak of confidential information due to employee misconduct could seriously damage our reputation and could cause significant reputational harm for our clients. Techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and generally are not

recognized until launched against a target. Like all software solutions, our software may be vulnerable to these types of attacks. An attack of this type could disrupt the proper functioning of our software solutions, cause errors in the output of our clients' work, allow unauthorized access to sensitive, proprietary or confidential information of ours or our clients and other undesirable or destructive outcomes. Furthermore, our systems allow us to share information that may be confidential in nature to our clients across our offices worldwide. This design allows us to increase global reach for our clients and increase our responsiveness to client demands, but also increases the risk of a security breach or a leak of such information because it allows additional points of access to information by increasing the number of employees and facilities working on certain jobs. If an actual or perceived information leak or breach of our security were to occur, our reputation could suffer, clients could stop using our products and services and we could face lawsuits and potential liability, any of which could cause our financial performance to be negatively impacted. Though we maintain professional liability insurance that includes coverage if a cyber-security incident were to occur, there can be no assurance that insurance coverage will be available, responsive, or that available coverage will be sufficient to cover losses and claims related to any cyber security incidents we may experience.

Defects or malfunctions in our IT infrastructure and applications could cause our products and services offerings not to perform as our clients expect, which could harm our reputation and business. In addition, malicious software, sabotage and other cyber security breaches of the types described above could cause an outage of our infrastructure, which could lead to a substantial denial of service and ultimately downtimes, recovery costs and client claims, any of which could negatively impact our results of operations, financial position and cash flow.

11. We are exposed to foreign currency exchange rate fluctuations, which may harm our results of operations, impact our cash flows and cause our financial results to fluctuate.

Our financial statements are presented in Indian Rupees. However, our sales are influenced by the currencies of geographies to where we export our products. The exchange rate between the Indian Rupee and these currencies, primarily the USD, GBP, etc. have fluctuated in the past and our results of operations and cash flows have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. As a significant part of our revenue is generated from export, we believe that price of our products may depreciate during a sustained appreciation of the Indian Rupee against the USD, GBP, etc. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees.

However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period, due to other variables impacting our business and results of operations during the same period. We currently hedge only some percentage of our exposures and thus face foreign currency exchange fluctuation risk. We may, therefore, suffer losses on account of foreign currency fluctuations for sale of our products since may not be able to pass on all losses on account of foreign currency fluctuations to our customers.

12. We are subject to certain obligations under our master service agreements with our customers and a failure to comply with the technical specifications prescribed under such agreements may lead to loss of business from such customers, invocation of our warranty claims and indemnity obligations, and could negatively impact our reputation, business prospects, cash flows and results of operations.

Our services and solutions are typically subject to stringent scheduling requirements, extensive technical specifications and other obligations, including in relation to data security, as specified by our customers in their respective master service agreements with us. Some of our contracts with our customers also involve exclusivity arrangements including with respect to proprietary rights for use of software and intellectual property or unique pricing terms, compliance of which could impact our business, cash flows, prospects, results of operations, and financial condition. Further, for any variations in such specifications or our obligations, we are typically required to discuss with and / or obtain prior consent from our customers and as mutually agreed between the parties to the respective contracts. Our agreements also require us to indemnify our customers for losses arising out of, among other things, non-performance or breach of our obligations, infringement of intellectual property rights and negligence. In certain contracts, the liability could even

extend beyond the contract value especially in cases of security and/or data leakage, breach of confidentiality arising due to wilful misconduct, gross negligence or fraud by the Company, or breach of intellectual property rights, customer claims of certain nature such as reputation loss, claims on account of breach of applicable laws, which are in the nature of consequential losses or indirect losses. While there have not been any material losses to our operations, any such failure on our part in the future may lead to termination of the agreement, loss of business with our customers, loss of reputation and loss of goodwill.

13. If we fail to develop and innovate our platform, products and solutions, our business, financial performance and prospects may be materially and adversely affected.

The attractiveness of our platform, products and solutions depends on our ability to innovate. To remain competitive, we must continue to develop and expand our product and service offerings. In addition, new products and services and technologies developed and introduced by competitors could render our products obsolete if we fail to upgrade them. Furthermore, any new features and functions may contain undetected errors and may not achieve market acceptance at introduction. We may experience delays while developing and introducing new products and services for a variety of reasons, some of which may be beyond our control, such as difficulties in developing models, acquiring data and adapting to particular operating environments. We may not succeed in incorporating new technologies or may incur substantial expenses in order to do so. If we fail to develop, introduce, acquire or incorporate new features, functions or technologies timely and effectively, our products and services may lose appeal, be rejected or experience delayed acceptance by the market. Consequently, our business, financial performance and prospects could be materially and adversely affected.

14. The implementation process of our platform and solutions may in some cases be time consuming, and any failure of our products to satisfy our customers or perform as desired could harm our business, results of operations, cash flows and financial condition.

Our platform, products and services are complex and may be deployed in a wide variety of network environments. Implementing our platform, products can be a complex and lengthy process. Inability to meet the requirements of our customers may result in customer dissatisfaction and/or damage to our reputation, which could materially harm our business. We have had instances of delays in the implementation of our software by our customers, leading to loss in revenue, particularly in cases where our revenues commence only from the day where our solution goes live. Further, the proper use of our platform and products may require training of the customer and the initial or on-going services of our technical personnel over the contract term, which trainings are conducted currently on an as needed basis. If our training and/ or on-going services require more of our expenditures than we originally estimated, our margins may be lower than we anticipate.

Further, if customer personnel are not well-trained in the use of our platform and products, customers may defer the deployment of our platform, products and services, may deploy them in a more limited manner than originally anticipated, or may not deploy them at all. If there is substantial turnover of the Company or customer personnel responsible for procurement and use of our platform and products, our platform and products may go unused or be adopted less broadly, and our ability to make additional sales may be substantially limited, which could negatively impact our business, results of operations, cash flows and financial condition.

15. We have in the past entered into related party transactions and may continue to do so in the future and there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.

In the ordinary course of our business, we have entered into transactions with related parties that include our Directors, Group Companies and Subsidiaries. These transactions primarily relate to investments, loans and advances, promotional expenses, etc. While we believe that all related party transactions that we have entered into are legitimate business transactions conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance to you that any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our

business, financial condition, results of operations and cash flows. Further, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company.

16. Our international operations may expose us to complex management, foreign currency, legal, tax and economic risks. These risks may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Other than our operations which take place in India, we also function through our subsidiaries in Singapore, USA and Italy. As a result of our existing and expanding international operations, we are subject to risks inherent to establishing and conducting operations in international markets, including:

- cost structures and cultural and language factors associated with managing and coordinating our international operations, including establishing new relationships with channel partners;
- compliance with a wide range of regulatory requirements, foreign laws, including immigration, tax laws where we usually rely on the opinions of experts on such matters, including in relation to transfer pricing norms and applicability of the relevant provisions of double taxation avoidance agreements, but which often involve areas of uncertainty;
- difficulty in staffing and managing foreign operations;
- potential difficulties with respect to protection of our intellectual property rights in some countries; and
- Indian regulations and restrictions on export and import of solutions.

The risks stated above and the constantly changing dynamics of international markets could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Further, our exposure to foreign currency risk arises in respect of our non-Indian Rupee denominated trade and other receivables, trade payables, and cash and cash equivalents. While our presentation and functional currency is the Indian Rupee, we have trade receivables and trade payables denominated in other foreign currencies such as the USD. Any fluctuation in the value of the Indian Rupee may affect our results of operations and cash flows.

17. We are subject to various Indian and International laws and regulations regarding privacy and data security, and we or our customers may be subject to regulations related to the handling and transfer of certain types of sensitive and confidential information. Any failure to comply with these laws and regulations could impose significant compliance burdens.

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may require us to incur expense and devote considerable time to compliance efforts. The existing data privacy regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain. Data privacy laws, rules and regulations are also subject to change and may become more restrictive in the future. For instance, the Personal Data Protection Bill, 2018 ("PDP Bill"), applies to processing of personal data, which has been collected, disclosed, shared or processed within India. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the PDP Bill. Changes or further restrictions in data privacy laws, rules and regulations could have an adverse effect on our business, results of operations and financial performance. The cost and operational consequences of implementing further data protection measures could be significant and this may have an adverse effect on our business, results of operations and financial performance. In Europe for example, we are constantly mindful of the provisions of GDPR which affects our approach to personal data.

18. The Company requires a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of its business.

The Company requires a number of approvals, licenses, registrations and permits in ordinary course of its business. Additionally, the Company would need to apply for renewal of approvals which expire, from time to time, as and when

required in the ordinary course. The Company cannot provide an assurance that the relevant authorities will issue any or all requisite permits or approvals in the timeframe anticipated by it, or at all. If such permits and licenses are not renewed, the Company's business operations and reputation may be adversely affected. Further, some of the Company's permits, licenses and approvals are subject to several conditions and the Company cannot provide an assurance that the Company will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals.

Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to the Company, could result in delaying the operations of its business, which may adversely affect the Company business, financial condition, results of its operations and prospects.

The Company requires several statutory and regulatory permits, licenses and approvals to operate our business, some of which we have either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. The Company cannot assure you that the relevant authorities will issue any or all requisite permits or approvals in the timeframe anticipated by us, or at all. If such permits and licenses were not renewed, our business operations and reputation may be adversely affected.

Further, some of the Company permits, licenses and approvals are subject to several conditions and the Company cannot assure you that the Company will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals.

19. Our financial results may vary from time to time, due to fluctuations in demand for our products, making it difficult to project future results.

Demand for our products may fluctuate from period to period due to factors such as general economic conditions, competition, product obsolescence, technological change, shifts in buying patterns, financial and business conditions of our current and potential customers and levels of Internet usage. A variety of factors may hence cause volatility in our financial results, making any projections of future results uncertain. Such factors include but are not limited to fluctuations in demand for or pricing of our products, the expectation by our channel partners of higher incentives, timing of orders and payments, issues relating to alliances with third parties, product and geographic mix and timing of new products. There are also particular factors driving demand for each of our specific products. A change in the factors driving demand for our products generally or for a particular product could adversely affect our revenue, financial condition, results of operations and cash flows.

20. Our business, prospects and results may be diminished if we lose the services of our senior management and/or key personnel.

Our success depends largely on the efforts, expertise and abilities of our senior management and key personnel. Our senior management is important to our business because of their experience and knowledge of the industry. Owing to the technical and specialized nature of our work, we are also significantly dependent upon our technology and personnel. Changes in management may be disruptive to our business and might also result in our loss of unique skills and the departure of existing employees and/or customers. In addition, there is intense competition for qualified domain and technical personnel. To effectively compete, we may be required to offer higher compensation and other benefits which could materially and adversely affect our financial condition, results of operations and cash flows. In the future, we may not be able to attract and retain the qualified personnel necessary for the conduct and further development of our business which could affect our ability to execute our business strategy. If one or more of our senior management team or key personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly, or at all, which could have a material adverse effect on our business, prospects and financial results. While we do have nonsolicit and non poaching clauses in our agreement with partners and restrictions on employees from joining competitors for a certain period of time, it is a fact that if any of our key

employees were to join a competitor or to form a competing company, also it would adversely affect our business, prospects and financial results.

- 21. If we experience a cyber security breach or other security incident or unauthorised parties otherwise obtain access to our customers' data or our data, our platform and products may be perceived as not being secure, our reputation may be harmed, demand for our platform and products may be reduced and we may incur significant liabilities.**

We collect, manage, store, transmit and otherwise process vast amounts of data as part of our business and operations and manage our own data centre apart from the third-party data centres we use. We may, in the future, be subject to cyber security attacks by third parties or internally seeking unauthorised access to our data or to disrupt our ability to provide our platform and products.

In addition, computer malware, computer hacking, fraudulent use, social engineering (such as, spear phishing attacks), ransomware, credential stuffing, denial of service attacks, supply chain attacks, and general malicious activity have become more prevalent, and such incidents or incident attempts may occur in the future. Any actual or perceived failure to maintain the performance, reliability, confidentiality, integrity, and availability of our platform and products to the satisfaction of our customers may harm our reputation and our ability to retain existing customers and attract new customers.

In addition, we are also subject to onerous data protection and privacy laws such as General Data Protection Regulation as well as other international and local regulations in these jurisdictions, breaches of which could cause significant losses and penalties adversely affecting our business, results of operations and financial condition

- 22. If we are unable to develop and maintain successful relationships with partners, our business, operating results, cash flows and financial condition could be adversely affected.**

We have a network of regional and global partners which we work with to align go-to-market initiatives and deliver value to our customers. However, our reliance on these partners for new business can be unpredictable, as we are required to ensure delivery and customer relationships. We believe that continued growth in our business is dependent upon identifying, developing, and maintaining strategic relationships with additional partners that can drive substantial revenue. If we fail to maintain our relationship with our current partners or identify additional partners in a timely and cost-effective manner, or at all, or are unable to assist our current and future partners in independently selling and deploying our products, our business, results of operations, and financial condition could be adversely affected. They may also cease marketing our platform with limited or no notice and with little or no penalty. Additionally, customer retention and expansion attributable to customers acquired through our partners may differ significantly from customers acquired through our direct sales efforts. Further, if our partners do not effectively market and sell our products, or fail to meet the needs of our customers, our reputation and ability to grow our business may also be adversely affected.

- 23. The industry in which we operate is employee intensive and our operations may be materially adversely affected by work stoppages or increased salary demands by our employees.**

Our industry is employee intensive and is dependent on skilled employee force for carrying out our operations. Shortage of skilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions in our business operations due to disputes or other problems with our employees in the past; however, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

- 24. Our historical revenues have been significantly dependent on few customers. We have not entered into any long term or definitive agreements with our customers. If our customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.**

A significant proportion of our revenues have historically been derived from a limited number of customers. Over the last three financial years, our top ten customers contributed 42%, 52% and 61% of our total revenue from operations

for the financial year 2021-22, 2020-21 & 2019-20 respectively. Even as we deal with the issue by the move to SaaS as a means of delivery, the fact remains that loss of orders from any of these historically significant customers will result in a considerable reduction in our revenue. Significant dependence on them may increase the potential volatility of our results of operations and exposure to individual contract risks. In the event that any of these customers discontinue purchase of products from us, our results of operations and financial condition may be adversely affected.

Any failure to meet our customer's expectations could result in cancellation of orders. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

25. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition. The success of our business will depend greatly on our ability to effectively implement our business and growth strategy.

Our growth strategy requires us to develop and strengthen relationships with existing customers and attract new customers for our business who may drive high volume orders on an on-going basis.

Our success in implementing our growth strategies may be affected by:

- our ability to increase our customer base;
- our ability to compete effectively with existing and future competitors;
- changes in the Indian or international regulatory environment applicable to us.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Separately, our growth strategy also involves expanding into new geographic markets which will involve additional risk.

While we have successfully executed our business strategy in the past, there can be no assurance that we will be able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could adversely impact our results of operations. We expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategy could have a material adverse effect on our business, financial condition and profitability.

26. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect the Company's business, operations and financial performance.

The business, operations and financial performance of the Company could be adversely affected by changes in law, or interpretations of existing laws, rules and regulations, or the promulgation of new laws, rules and regulations in India, applicable to it and to its business.

The governmental and regulatory bodies in India may notify new regulations and/or policies, which may require the Company to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements and conditions on its operations, in addition to those which the Company is undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on the Company's business, financial condition and results of its operations.

27. The Company may be unsuccessful in protecting its intellectual property rights in India. Unauthorized use of intellectual property may result in the development of technology, products or services which compete with the Company's products. The Company may also be subject to third-party claims of intellectual property infringement.

The Company's intellectual property rights are important to the Company's business. The Company relies on a combination of copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to

protect its intellectual property. However, the Company cannot be certain that the steps taken by it will prevent unauthorized use of its intellectual property. Furthermore, the laws of India do not protect proprietary rights to the same extent as laws in certain other countries (including the United States). Therefore, the Company's efforts to protect its intellectual property may not be adequate. The Company's competitors may independently develop similar technology or duplicate products or services offered by the Company. Unauthorized parties may infringe upon or misappropriate the Company's products, services or proprietary information.

The misappropriation or duplication of the Company's intellectual property could disrupt the Company's on-going business, distract its management and employees, reduce its revenue and increase expenses. The competitive advantage that the Company derives from its intellectual property may also be diminished or eliminated. The Company may need to litigate to enforce its intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time-consuming and costly. As the number of copyrights and other intellectual property rights in the industry in which the Company is engaged increases, and as the coverage of these rights increases, the Company believes that companies in this industry will face more frequent infringement claims. Defending against these claims, even if not meritorious, could be expensive and divert the Company's attention and resources from operating the Company. Also, there can be no assurance that, as the Company's business expands into new areas, it will be able to independently develop the technology necessary to conduct its business or that it can do so without attracting allegations, even if baseless, of infringement on the intellectual property rights of others.

Although the Company believes that its intellectual property rights do not infringe on the intellectual property rights of any other party, infringement claims may be asserted against the Company in the future. If the Company becomes liable to third parties for infringing their intellectual property rights, the Company could be required to pay a substantial damage award and be forced to develop non-infringing technology, obtain a license or cease selling the applications or products that contain the infringing technology. The Company may be unable to develop non-infringing technology or to obtain a license on commercially reasonable terms, or at all. Further, the Company may be required to provide indemnification to clients for third-party breaches of intellectual property pursuant to the Company's contracts with such parties.

28. We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our Company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

29. Our Promoters have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.

Our Promoters have provided personal guarantees in relation to certain loan facilities availed by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

30. Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and terrorism. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of Standard Peril and Policy for building, plant & machinery, office equipment, furniture & fixtures, burglary & robbery cover, money insurance cover, electronic equipment cover, directors and officer's liability, Professional Indemnity-Technology cover, Cyber Liability Insurance. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits, losses due to terrorism, etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

31. Any regulatory actions and penalties for any past or future non-compliance may adversely affect our business or reputation, or both.

We have to comply with numerous regulatory filing, maintenance of record etc under the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015("Listing Regulation"), Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 2011 and any other laws and regulation as applicable. We may have failed to comply or maintain certain record as per the applicable law (except compliance of Listing Regulation for preceding one year from the date of filing of Draft Letter of Offer where the company had duly filed the required documents with Designated Stock Exchange). If any non-compliance of the applicable laws come across any regulator, they may impose the penalty on the Company. Such penalty may impact the profitability of the Company.

Also, the Company had received an email on 14.12.2021 from BSE stating that the Company is in non-compliance of Reg 29(2) & (3) of SEBI (LODR) Regulations 2015, pertaining to delay in furnishing prior intimation about the meeting of the Board of Directors held on 13.11.2021 to consider the financial results of the Company and therefore a fine of Rs. 11,800/- was imposed on the Company against such noncompliance. Thereafter, the Company replied to BSE vide email dated 14.12.2021 explaining the rationale for delay in intimation to stock exchange with respect to Board meeting approving the quarterly and half yearly results, due to migration of the Company from SME Board to the Main Board and therefore the delay be not treated as non-compliance. However, vide email dated 19.05.2022, BSE informed that the Request Review Committee has rejected the request of the Company. The Company again has written to BSE vide an email dated 26.05.2022 to reconsider their request for the said waiver.

Where the request of the Company is rejected or no response is received by the Company before filing of the Letter of Offer, the Company would be required to file the Letter of Offer in accordance with Part B-1 of Schedule VI of SEBI (ICDR) Regulations. Further, the Company would also be required to pay penalty for such non-compliance.

32. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth

plans. For further details please refer to the section titled — **"Objects of the Issue"** beginning on page 51 of this Draft letter of Offer.

33. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

34. Our Company's management will have flexibility in applying the proceeds of this Issue within the parameters as mentioned in the section titled 'Objects of the Issue' beginning on page 51 of this Draft letter of Offer.

We intend to use Net Issue Proceeds towards sales and marketing, product development and general corporate purposes. We intend to deploy the Net Issue Proceeds in financial year [•] and [•] and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. There can be no assurance that the funds raised from the Issue may not remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer section titled **"Objects of the Issue"** beginning on page 51 of this Draft letter of Offer.

35. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.

Since the Issue size is less than Rs. 10,000 lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

36. The objects of the Issue are based on the internal estimates of our management and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue Proceeds could adversely affect our financial results.

The funds raised under this Issue will be used for funding organic growth initiatives and investment in the Company's US subsidiary for augmenting its business development, sales, marketing and other related costs for future growth. The objects of the Issue are based on management estimates and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financial results. Utilization of Issue proceeds would be disclosed to our Company's shareholders in the manner required under the SEBI LODR Regulations. For further details, please refer to the section titled **"Objects of the Issue"** on page no. 51 of this Draft Letter of Offer.

37. Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on

terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

EXTERNAL RISK

38. Financial instability in other countries may impact our Indian financial markets

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may impact Indian financial markets and, indirectly, the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

39. Natural or manmade disasters and health epidemics could have a negative impact on the Indian economy, damage our facilities and also destroy the outlook of our Company, being an asset heavy company.

Natural disasters such as floods, earthquakes, famines and pandemics have in the past had a negative impact on the Indian economy, with the most recent example being the global outbreak of COVID-19 pandemic. If any such event were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure, damage to our telecom and refinery assets and the loss of business continuity or business information. In the event that our facilities are affected by any of these factors, our operations may be significantly interrupted, which may materially and adversely affect our business, financial condition and results of operations.

40. A third party could be prevented from acquiring control of us because of the anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the takeover regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of the takeover regulations.

41. We have not commissioned an industry report for the disclosures made in the section titled 'Industry Overview' and made disclosures based on the data available on the internet and such third-party data has not been independently verified by us.

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled '**Industry Overview**' beginning on page 63 of this Draft Letter of Offer. We have made disclosures in the said section based on the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such third-party data. We cannot assure you that

any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context

42. Rights of shareholders under Indian laws may differ from the laws of other jurisdictions.

Our articles of association and Indian law govern our corporate affairs. Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions.

43. Differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.

Our audited financial statements contained in this draft letter of offer have been prepared and presented in accordance with Ind AS and no attempt has been made to reconcile any of the information given in this draft letter of offer to any other principles or to base it on any other standards. Ind AS differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind AS and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Ind AS contained in this draft letter of offer. Accordingly, the degree to which the financial information included in this draft letter of offer will provide meaningful information is dependent on your familiarity with Ind AS and the Companies Act. Any reliance by persons not familiar with Ind AS on the financial disclosures presented in this draft letter of offer should accordingly be limited.

We are subject to risks associated with expansion into new geographic regions

Expansion into new geographic regions subjects us to various challenges, including those relating to our lack of familiarity with the culture, local laws and regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- foreign ownership constraints and uncertainties with new local business partners;
- local preferences and service requirements;
- fluctuations in foreign currency exchange rates;
- inability to effectively enforce contractual or legal rights and adverse tax consequences;
- differing accounting standards and interpretations;
- stringent as well as differing labour and other regulations;
- differing domestic and foreign customs, tariffs and taxes;
- exposure to expropriation or other government actions; and
- political, economic and social instability.

By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

RISKS IN RELATION TO EQUITY SHARES

44. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlement.

The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with the circular SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares and except the pending transfers).

45. We will not distribute the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlements Letter to certain categories of overseas shareholders.

In accordance with the SEBI ICDR Regulations and Relaxations for Rights Issue Circulars, our Company will send, primarily through e-mail, the Abridged Letter of Offer, the Application Form and other applicable Issue material to the e-mail addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company. In the event the e-mail addresses of the Eligible Equity Shareholders are not available with the Company or the Eligible Equity Shareholders have not provided the valid e-mail address to the Company, our Company will dispatch the Letter of Offer, Abridged Letter of Offer, Application Form and other applicable Issue materials. Other than as indicated above, the Issue materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of the Issue materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. We have requested all the overseas Eligible Equity Shareholders to provide an address in India and their e-mail addresses for the purposes of distribution of the Issue materials. However, we cannot assure you that SEBI or any other authority would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

46. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this draft letter of offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. Further, while in accordance with the SEBI Rights Issue Circulars, the credit of Rights Entitlements shall be made into the demat accounts of the Eligible Equity Shareholders as on the Record Date, such Eligible Equity Shareholders shall participate in the Issue only in accordance with the applicable laws in their respective jurisdictions.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

47. We cannot guarantee that the Equity Shares issued under this Issue will be listed on the Stock Exchanges in a timely manner, if at all.

In accordance with Indian law and practice, after our Board or committee passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the investors, we are required to apply to the Stock Exchanges for final approval for listing and trading of the Equity Shares. There could be a failure or delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of the Equity Shares on the Stock Exchanges. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period. Any failure or delay in obtaining these approvals would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, may not be indicative of the prices at which the Equity Shares will trade in the future.

48. Any future issuance of Equity Shares by us or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares

Any future issuance of our Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

49. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax

clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

50. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Previously, any gain realised on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long-term capital gains tax in India if securities transaction tax ("STT") was paid on the sale transaction. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which our Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our Equity Shares Rights Entitlements.

Further, the Finance Act, 2019, which has been notified with effect from April 1, 2019, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019; however, these amendments will come into effect from July 1, 2020. The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

51. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the

shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

52. Overseas shareholders may not be able to participate in the Company's future rights offerings or certain other equity issues.

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, our Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless: (i) a registration statement is in effect, if a registration statement under the US Securities Act is required in order for the Company to offer such rights to holders and sell the securities represented by such rights; or (ii) the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the US Securities Act. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

53. The Issue Price of the Rights Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price of the Rights Equity Shares will be determined by our Company in consultation with the Lead Manager and the Designated Stock Exchange. This price may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

SECTION III – INTRODUCTION

THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board on January 29, 2022, pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio shall be determined by Rights Issue Committee at their meeting held on [•].

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, detailed information included in **"Terms of the Issue"** beginning on page 141 of this Draft Letter of Offer.

Rights Equity Shares being offered by our Company	Up to 19,21,816 Rights Equity Shares
Rights Entitlement	[•] Rights Equity Share for every [•] fully paid-up Equity Share(s) held on the Record Date
Record Date	[•]
Face value per equity share	₹ 10.00/- each
Rights Price (Issue Price) per equity share	₹ [•] per Equity Share (including a premium of ₹ [•] per Equity Share)
Dividend	Such dividend, in proportion to the amount paid-up on the Rights Equity Shares, as may be recommended by our Board and declared by our Shareholders, as per applicable law.
Issue Size (Rights Size)	Up to ₹ [•] Lakhs [#] <i>#To be adjusted as per the Rights Entitlement ratio</i>
Equity Shares subscribed, paid-up and outstanding prior to the Issue	1,92,181,62 Equity Shares. For details, see "Capital Structure" beginning on page 43
Equity Shares subscribed, paid-up and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	Up to [•] [#] Equity Shares <i>#Assuming full subscription</i>
Security codes for the Equity Shares	ISIN for Equity Shares: INE864K01010 ISIN for RE Equity Shares: [•] BSE Scrip ID: IRIS and BSE Security Code: 540735 NSE SYMBOL: IRIS
ISIN for Rights Entitlements	[•]
Terms of the Issue	For details, see "Terms of the Issue" beginning on page 141
Use of Issue Proceeds	For details, see "Objects of the Issue" beginning on page 51
Terms of Payment	The full amount is payable on application

For details in relation fractional entitlements, see **"Terms of the Issue – Fractional Entitlements"** beginning on page 153.

GENERAL INFORMATION

Our Company was originally incorporated as IRISBUSINESS.COM (INDIA) PRIVATE LIMITED at Mumbai, Maharashtra as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated October 03, 2000 bearing registration number 128943 issued by Assistant Registrar of Companies, Maharashtra, Mumbai. Consequently, the name of our Company was changed to IRISBUSINESS Services (India) Private Limited and thereafter to IRIS Business Services Private Limited and fresh certificate of incorporation upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai dated October 27, 2003 and Deputy Registrar of Companies, Maharashtra, Mumbai dated July 13, 2009 respectively. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on May 13, 2010 and fresh certificate of incorporation consequently upon change of name was issued by Assistant Registrar of Companies, Maharashtra, Mumbai dated June 29, 2010 and to consequent legal status the name of our Company was changed to "IRIS Business Services Limited". Our Company was originally listed on SME platform of BSE Limited on October 11, 2017, subsequently migrated on the Main Board platform of BSE Limited vide their notice no. 20211103-16 dated November 03, 2021 and also directly listed to Main Board platform of NSE vide their letter NSE/LIST/03 dated November 03, 2021. The Corporate Identification Number is L72900MH2000PLC128943.

REGISTERED OFFICE OF OUR COMPANY

T-231, Tower 2, 3rd Floor,
International Infotech Park, Vashi Station,
Vashi Thane MH-400703 India
Tel: +91 22 6723 1000
Email: cs@irisbusiness.com
Website: www.irisbusiness.com

REGISTRAR OF COMPANIES

100, Everest, Marine Drive,
Mumbai-400002, Maharashtra.

COMPANY SECRETARY & COMPLIANCE OFFICER

Santoshkumar Sharma

T-231, Tower 2, 3rd Floor,
International Infotech Park, Vashi Station,
Vashi Thane MH-400703 India
Tel: +91 22 6723 1000
Email: cs@irisbusiness.com
Website: www.irisbusiness.com

The details of Intermediaries are as follows:

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
FEDEX SECURITIES PRIVATE LIMITED 3 rd Floor, B Wing, Jay Chambers, Dayaldas Road, Vile Parle (E), Mumbai – 400 057, Maharashtra, India Tel No.: +91 81049 85249 E-mail: mb@fedsec.in Website: www.fedsec.in Contact Person: Yash Kadakia SEBI Registration Number: INM000010163 Investor Grievance E-Mail: mb@fedsec.in	LINK INTIME PRIVATE LIMITED C-101, 247 Park, Lal Bahadur Shastri Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083 Tel. No: 022- 4918 6200 E-mail Id: iris.rights@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Registration No: INR000004058

STATUTORY AUDITOR**KKC & Associates LLP**

(Formerly known as M/s Khimji Kunverji & Co LLP)

Level-19, Sunshine Tower, Senapati Bapat Marg,
Elphinstone Road, Mumbai, Maharashtra 400013

Tel No: +91 022 6143 7333

Email Id: info@kkcllp.in

Contact Person: Hasmukh B. Dedhia

Firm Registration No: 105146W/W100621

Membership No: 033494

Peer Review No.: 011216

BANKERS TO THE ISSUE**ICICI Bank Limited**

Capital Market Division, 1st Floor, 122, Mistry Bhavan,
Dinshaw Vachha Road, Backbay Reclamation, Churchgate,
Mumbai – 400020

Tel No: 022 66818911

Email Id: sagar.welekar@icicibank.com

Website: www.icicibank.com

Contact Person: Sagar Welekar

SEBI Registration No.: INBI000000004

BANKER TO THE COMPANY**ICICI BANK LIMITED**

Shop No. 14, 15, 16,
Shri Ganesh Chs. Sector
1, Opp. Apna Bazar,
Vashi, Navi Mumbai – 400703

HDFC BANK LIMITED

2nd Floor, Trade View Building, Kamala Mills Compound,
Lower Parel, Mumbai – 400 013

LEGAL ADVISOR TO THE ISSUE**CHITALE LEGAL, ADVOCATES & SOLICITORS**

Nirlon House, Annie Besant Road, Worli, Mumbai
400030, India

Tel No: +91 22 40041010-15 / 66396833-34

Email Id: cl@chitale.net

Contact Person: Mr. Satish Dinavahi

INVESTOR GRIEVANCES

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e-acknowledgement.

For details on the ASBA process, see “**Terms of the Issue**” beginning on page 141 of this Draft Letter of Offer.

DESIGNATED INTERMEDIARIES**Self-Certified Syndicate Banks (“SCSBs”)**

The lists of SCSBs notified by SEBI to act as SCSB for the ASBA process are available on the website of SEBI on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details of the Designated Branches of SCSBs collecting the Application Forms, please refer to the above-mentioned SEBI link.

Registrar to the Issue and Share Transfer Agents (“RTA”)

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI (www.sebi.gov.in), and updated from time to time. For details on

RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Collecting Depository Participants ("CDP")

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Fedex Securities Private Limited being sole Lead Manager to this Issue, all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them. Hence, a statement of inter-se allocation of responsibilities is not required.

CREDIT RATING

This being a Rights Issue of Equity Shares, credit rating is not required.

DEBENTURE TRUSTEES

Since this is not a debenture issue, appointment of debenture trustee is not required.

MONITORING AGENCY

As per Regulation 82 of SEBI ICDR Regulations, the issue size is not exceeding ₹10000.00 Lakhs, therefore appointment of monitoring agency is not applicable to this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

UNDERWRITING

This Right Issue is not underwritten and our Company has not entered into any underwriting arrangement.

FILING

This Draft Letter of Offer is being filed with the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited to obtain In-Principle approval. The letter of Offer shall be submitted with Stock Exchanges and SEBI for information and dissemination purpose as per the provisions of the SEBI ICDR Regulations.

In light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Draft Letter of Offer / Letter of Offer to the e-mail address: cfdil@sebi.gov.in.

MINIMUM SUBSCRIPTION

The object of Issue is other than financing for more details please refer "**Objects of Issue**" on page 51 of this DLOF. Therefore, Regulation 86(1)(b) of the SEBI ICDR Regulations read with Regulation 60 is not applicable. Accordingly, the Rights Issue size would stand reduced to the extent of under subscription.

CAPITAL STRUCTURE

The Share Capital of our Company as on the date of the Draft Letter of Offer and after the proposed Issue is set forth below:

(Amount in Lakhs, except the share data)

Sr. No.	Particulars	Aggregate value at	
		Face value	Issue Price
1	AUTHORISED SHARE CAPITAL		
	2,50,00,000 Equity Shares of face value of ₹ 10.00/- each	2,500.00	-
2	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
	19,218,162 fully paid-up Equity Shares of face value of ₹ 10.00/- each	1,921.81	-
	PRESENT ISSUE IN TERMS OF THE LETTER OF OFFER (*)		
	Up to 19,21,816 Equity shares of face value of ₹ 10.00/- each at a price of ₹ [•]/- per Equity Share	[•]	[•]
3	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	Up to [•] fully paid-up Equity Shares of face value ₹ 10.00/- each	[•]	-
4	SECURITIES PREMIUM ACCOUNT		
	Before the issue i.e. March 31, 2022^^	1,207.68	
	Post Issue After all the Calls are made in respect of Rights Equity Shares**** ^	[•]	

*The present Issue has been authorised by the Board of Directors of vide a resolution at its meeting held on January 29, 2022.

**Assuming full subscription for and allotment of the Rights Equity Shares.

^Subject to finalisation of Allotment

^^As certified by the **KKC & Associates LLP** (Formerly known as M/s Khimji Kunverji & Co LLP), Statutory Auditor vide its certificate dated August 11 2022 bearing UDIN 2203349AOURKS7043

Assuming full subscription for and allotment of the Rights Entitlement

Confirmations

As on the date of this Draft Letter of offer, the promoter and promoter group hereby confirms that:

- Except as mentioned below no other Equity Shares of our Company held by our Promoters are locked in, pledged & encumbered as mentioned below:

Sr. No.	Name of the Promoters	Shares Pledged
1	Subramaniam Swaminathan	13,71,650
2	Deeptha Rangarajan	4,33,816
3	Balachandran Krishnan	3,31,200
	Total	21,36,666

- All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. The Rights Equity Shares, when issued shall be fully paid up. For details on the terms of this Issue, see **"Terms of the Issue"** on page 141.
- Except for Ms. Shyama Balachandran, one of the members of the Promoters Group of our Company, no Equity Shares have been acquired by any of the other Promoters or members of Promoter Group in the last (1) one year immediately preceding the date of filing of this Draft Letter of Offer:

Sr. No.	Date of Acquisition	No. of Shares	Mode of Acquisition
1	December 06, 2021	2,00,000	Gift

4. As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares;
5. Our Company has formulated one ESOP Schemes namely, Employee Stock Option Scheme 2017 ("IRIS ESOP Scheme 2017") pursuant to special resolution passed by shareholders in their Annual General Meeting held on September 13, 2017. The purpose of the ESOP Schemes is to motivate and reward the talent in the organisation. For Details of the outstanding stock options, see "**Financial Information**" on page 81.

Intention and extent of participation by our promoter and promoter group:

Pursuant to letter dated February 09, 2022 (Subscription Letter), Promoters along with other Promoters and members of Promoter Group of our Company, that they do not intend to subscribe, either jointly and/ or severally, to their Rights Entitlements (including through subscription of any Rights Entitlements renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company) and shall not subscribed to the unsubscribed portion of the issue either jointly and / or severally. They may renounce their right entitlements in favour of others.

The Promoters and other members of the Promoter Group have confirmed that they would not participate in this Issue, accordingly Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations is not applicable.

The Promoter and other members of the Promoter Group would not be participating in the Rights Issue and accordingly, the holdings of the Promoter and other members of the Promoter Group will be within the minimum public shareholding requirements prescribed under applicable law.

Ex-Rights price per Equity Share

The ex-rights price per Equity Share as per Regulation 10(4)(b)(ii) of the SEBI Takeover Regulations is ₹ [•]. The ex-rights price per Equity Share has been calculated assuming full subscription to the Issue.

Shareholding pattern

Set forth below is the shareholding pattern of our Company as at June 30, 2022 in accordance with Regulation 31 of the SEBI Listing Regulations and can be accessed at: <https://www.bseindia.com/stock-share-price/iris-business-services-ltd/iris/540735/shareholding-pattern/> and <https://www.nseindia.com/get-quotes/equity?symbol=IRIS>

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No of fully paid up equity shares held (IV)	No of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957 (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI = VII + X)	Number of Locked in shares (XII)		No. of shares Pledged or Otherwise Encumbered (XIII)		No. of Equity shares held in Demat Form (XIV)
								No of voting Right	Total as % of (A+B+C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
A	Promoter and Promoter Group**	4	7322220			7322220	38.10	7,322,220.00	38.10		38.10			213666	29.18	7322220
B	Public	3630	11895942			11895942	61.90	11,895,942.00	61.90		61.90					11499672
C	Non-Promoter Non-Public															
C1	Shares Underlying DRs															

C2	Shares held by Employee Trusts															
	Total (A+B+C)	363 4	19218 162			192181 62	100	19,218,162 .00	100. 00		100.00			21 36 66 6	11.12	1882 1892

Source: www.bseindia.com

The Statement showing holding securities of persons belonging to the category “Promoters and Promoter Group” as at June 30, 2022

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
A1) Indian							
A. Individuals / Hufs	4	73,22,220	73,22,220	38.10	73,22,220	38.10	73,22,220
Subramaniam Swaminathan	1	45,72,168	45,72,168	23.79	45,72,168	23.79	45,72,168
Deepta Rangarajan	1	14,46,052	14,46,052	7.52	14,46,052	7.52	14,46,052
Balachandran Krishnan	1	11,04,000	11,04,000	5.74	11,04,000	5.74	11,04,000
Shyama Balachandran	1	2,00,000	2,00,000	1.04	2,00,000	1.04	2,00,000
Sub- total of A1	4	73,22,220	73,22,220	38.10	73,22,220	38.10	73,22,220
A2) Foreign							
Sub-total of A2	0	0	0	0	0	0	0
A= A1+ A2	4	73,22,220	73,22,220	38.10	73,22,220	38.10	73,22,220

The Statement showing holding securities of persons belonging to the category “Public Shareholder” as at June 30, 2022

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
B1) Institutions							
Foreign Portfolio Investors	1	11200	11200	0.06	11200	0.06	11200
Sub Total B1	1	11200	11200	0.06	11200	0.06	11200
B2) Central Government/ State Government(s)/ President of India							
Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	-
Sub Total B2	0	0	0	0	0	0	-
B3) Non-Institutions							
Individual share capital upto ₹ 2 Lakhs	3341	2393000	2393000	12.45	2393000	12.45	2348910
Individual Share Capital in Excess of ₹ 2 Lakhs	48	3944219	3944219	20.52	3944219	20.52	3826199
Kamalanand Nithianandan	1	2,76,000	2,76,000	1.44	2,76,000	1.44	2,76,000
Koushik Sekhar	1	2,10,000	2,10,000	1.09	2,10,000	1.09	2,10,000

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
Madhuri Madhusudan Kela	1	10,72,000	10,72,000	5.58	10,72,000	5.58	10,72,000
Shailesh Brijmohan Gupta	1	2,00,256	2,00,256	1.04	2,00,256	1.04	2,00,256
NBFCs registered with RBI	1	16,000	16,000	0.08	16,000	0.08	16,000
Any Other	239	5531523	5531523	28.78	5531523	28.78	5297363
Clearing Members	8	2717	2717	0.01	2717	0.01	2717
Non-Resident Indian (NRI)	96	232227	232227	1.20	232227	1.20	232227
HUFs	76	243230	243230	1.27	243230	1.27	243230
Trust	1	500	500	0.00	500	0.00	500
Bodies Corporate	52	4376228	4376228	22.77	4376228	22.77	4142068
Flowers Valley Pvt Ltd	1	12,28,940	12,28,940	6.39	12,28,940	6.39	12,28,940
Mansoul Commercial Private Limited	1	955000	955000	4.97	955000	4.97	955000
Khazana Tradelinks Pvt Ltd	1	6,92,817	6,92,817	3.61	6,92,817	3.61	6,92,817
Millennium Developers Pvt Ltd	1	5,40,000	5,40,000	2.81	5,40,000	2.81	5,40,000
Valuable Infrastructure Pvt. Ltd.	1	4,68,320	4,68,320	2.44	4,68,320	2.44	2,34,160

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
Body Corp-Ltd Liability Partnership	6	6,76,621	6,76,621	3.52	6,76,621	3.52	6,76,621
Iris Employee Wellness LLP	1	2,48,621	2,48,621	1.29	2,48,621	1.29	2,48,621
Sub-Total (B3)	3629	11884742	11884742	61.84	11884742	61.84	11488472
B= B1+B2+B3	3630	1,18,95,942	1,18,95,942	61.90	1,18,95,942	61.90	1,14,99,672

The list of shareholders holding 1% or more of the paid-up capital of our Company is as under as on June 30, 2022:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue capital (in %)
1.	Subramaniam Swaminathan	4,572,168.00	23.79%
2.	Deepta Rangarajan	1,442,052.00	7.50%
3.	Flowers Valley Pvt Ltd	1,228,940.00	6.39%
4.	Balachandran Krishnan	1,104,000.00	5.74%
5.	Madhuri Madhusudan Kela	1,072,000.00	5.58%
6.	Mansoul Commercial Private Limited	9,55,000.00	4.97%
7.	Khazana Tradelinks Pvt Ltd	692,817.00	3.61%
8.	Millennium Developers Pvt Ltd	540,000.00	2.81%
9.	Kamalanand Nithianandan	276,000.00	1.44%
10.	Iris Employee Wellness LLP	248,621.00	1.29%
11.	Valuable Infrastructure Pvt. Ltd.	234,160.00	1.22%
12.	Valuable Infrastructure Pvt Ltd	234,160.00	1.22%
13.	Koushik Sekhar	210,000.00	1.09%
14.	Shailesh Brijmohan Gupta	200,256.00	1.04%
15.	Shyama Balachandran	200,000.00	1.04%
	Total	13,210,174.00	68.74%

OBJECTS OF THE ISSUE

Requirement of funds

We are an asset-light organization and are not required to make substantial investments into fixed assets. Our core asset is our technology platform, which we have built, created, and developed over the years, and we expect it to be the key driver for our business in the future.

Our Company is a global provider of software products for compliance and data and analytics. For further details, see **"Our Business"** on page 68.

In order to attain the business growth as envisaged, our business strategies include the following:

- Maintain our market leadership position by capitalizing on industry tailwinds due to the secular adoption of XBRL filings by business organisations.
- Continue to develop partner network through a focused outreach program.
- Continue to invest in technology, information standards and analytics.
- Aggressive sales and marketing efforts across regulators and enterprises in the high potential markets of the US, UK and Europe.
- Focus on building the brand.
- Continue to improve unit economics and focus on profitable growth

For further details, see **"Our Business-Our Growth Strategy"** on page 71.

Our Company intends to utilise the Net Proceeds from the Issue towards the following objects (collectively, referred to as the "Objects")

1. Funding organic growth initiatives;
2. Investment in the Company's US subsidiary for augmenting its business development, sales, marketing and other related costs for future growth; and
3. General Corporate Purposes.

The objects as stated in the Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised by our Company through the Issue and the activities for which the borrowings proposed to be repaid from the Net Proceeds, were utilized.

Issue Proceeds

The details of the Issue Proceeds are set forth in the table below:

(Amount in Lakhs)

Sr. No.	Particulars	Amount
1.	Gross Proceeds from the Issue*	[•]
Less:	Estimated Issue related expenses	[•]
Net Proceeds		[•]

* Assuming full subscription and Allotment and receipt of all Call monies with respect to the Rights Equity Shares, and to be adjusted per the Rights Entitlement ratio.

#Rounded off to two decimal places

Requirement of funds and utilisation of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

(in ₹ Lakhs)

Particulars	Amount
Funding organic growth initiatives	[●]
Investment in Subsidiaries equity for augmenting its business development, sales, marketing and other related costs for future growth	[●]
General Corporate Purposes*	[●]
Total	[●]

*Assuming full subscription in the Issue and receipt of all Call Monies with respect to the Rights Equity Shares in the Issue and subject to finalization of Basis of Allotment and the Allotment, and to be adjusted per the Rights Entitlement ratio. The amount utilized towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

#Rounded off to two decimal places

There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoters, Promoter Group, Directors, and key managerial personnel, as identified by our Company or group companies.

Means of Finance

The fund requirements set out in the Objects of the Issue are proposed to be met entirely from the Proceeds of the Rights Issue. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue as required under SEBI ICDR Regulations. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them.

Details of the Objects of the Issue

1. Funding organic growth initiatives

We intend to utilize ₹ [●] lakhs from the Net Proceeds towards funding organic growth initiatives. The key markets which are expected to contribute to our organic growth, and towards which the Net Proceeds may be utilized are described below.

While the opportunity we are seeking to serve is large, the market is hugely fragmented, necessitating the need for capital to establish a presence of significance. Consider the opportunities in the EU and the USA for example.

One could be forgiven for thinking that the mandate of the European Securities Market Authority (ESMA) requiring all public companies listed in one or markets in EU member countries could be served with one common strategy. Nothing could be further from the truth as we have discovered. Each of the 27 member countries of the EU is different, demanding a different approach in each case. Language differences aside, cultural differences aside, the level of compliance maturity and digital adoption in each country is different, not to mention their resistance to a foreign vendor. Some elements of our country specific approach worked while there was much that did not. The big lesson for us is the need to have more feet on the ground in the EU as soon as possible.

Equally, the emerging opportunities in the US necessitate more local staffing if we wish to make anything of it. Our ability to be able to serve the demand from the roll out of XBRL reporting by municipal bodies is predicated on having an adequate local presence that not only provides comfort to our customers but also meets the government procurement norms.

A large portion of our funding will go to strengthen our sales and marketing teams seeking to acquire clients in the US and the EU, not to mention the UK. It is pertinent to note that even after leaving the EU, the UK continues to be wedded to XBRL, the EU mandates that the UK signed off on before Brexit continue to be in force in the UK, only that the administration of these rules is now in UK hands.

a) Deepening and expanding our footprints in existing markets

As the SaaSBoomi report referenced elsewhere points out, "Investing in sales and marketing pays off." Indeed, they add that "companies investing a higher share of revenues in GTM have consistently outpaced others in growth and valuations." The study points out that top quartile companies have median payback periods of 16 months and bottom quartile companies have it at 47 months.

The writing on the wall is clear. If we aspire to grow faster, we need to spend more and smartly too. In every market where we have a presence, we have done extremely well so far with the very limited resources at our disposal. We need to scale up and fast in both new and replacement markets.

- In spite of being ranked at the top for the quality of our offering in the USA, the broad market in the USA is not even aware of our existence. We need to get in front of them, they need to know about us. It won't be easy because we will be competing with entrenched providers.
- We have made a great start in Europe, but with adequate financial resources we could have done more. If our sales team had been backed up by marketing dollars, they would have fared even better. While here too we will be competing with established competitors, the next phase of the ESMA mandate could offer an opportunity to launch a concerted campaign to acquire more customers.

In the US and EU, the ESG mandate is a new one which offers us a new mandate to ride and history has shown that we have done well with new mandates. The first phase of rollout as estimated by 2024-25 would cover 50,000 companies.

- This would give our Company an opportunity to increase the user base for IRIS Carbon's cloud based platform which is collaborative, multi lingual and will work with XBRL taxonomies for ESG.
- Similarly, the next phase of regulatory filings in the energy sector offers us a great opportunity to grow our presence in the USA. Some 3800 energy companies will be filing in the XBRL format for the first time. Our success in Phase 1 gives us the confidence to try and grab a higher market share for IRIS Carbon in Phase 2.
- Our experience with partners has been mixed. The strategy has worked very well in markets but not in others. It is critical for us to ensure visibility for IRIS in all markets, irrespective of whether we are working with a local partner. This too requires significant investments.

To achieve our goals, we need to scale up our sales and marketing efforts significantly. We need to expand our inside sales team in India while adding more feet on the street in the markets we are looking to expand a presence in. Spend on focused digital marketing spend too will increase.

Moreover, to try and be seen as a viable option to those who are willing to switch from their existing provider, we need to offer value adds to make our offering so compelling that customers feel the urge to switch to us.

Once we enter geography, we would seek to serve other mandates as well.

We presently do not offer any solution help players meet the mandates of either the European Insurance and Occupational Pensions Authority ("EIOPA") or European Central Bank ("ECB"). With marketing and sales effort, our Company should be able to offer filing services to EIOPA and ECB through our partners in the EU. This will add another product to the partners bouquet, making a partnership with us that much more attractive to them.

In the United Kingdom, listed company is mandatorily required to file annual filing in XBRL format since 2022 under the

UK Single Electronic Format ("UKSEF"). Our effort would be to increase our presence in the UKSEF filing by increasing our user base. Our revenues from Her Majesty's Revenue and Customs (the "HMRC"), the tax authority of the U.K. government is through just one local partner. We will be increasing our presence in the UK by adding more partners in UK. Our positioning as a high quality provider will stand us in good stead.

Our growth in Europe and UK requires us to increase our sales team as well as expand the inside sales and undertake substantial digital marketing initiatives.

b) Product development efforts in areas adjacent to financial reporting

We are dedicated to continuous innovation through leveraging our proprietary technology and intend to invest in technology to drive the growth of our business. We intend to expand our operations by broadening and deepening our offerings and by launching solutions to meet adjacent needs of customers, existing and new. We will make announcements about these products at the appropriate time.

Adding to our product stable to increase our share of the customer's wallet is the strategy that we have chosen. Having said that, we are not unmindful of the difficulty of gaining success.

For example, we have recently launched IRIS Look up, a SaaS offering which helps identify what the MCA calls vanishing companies. A new mandate from the Indian Ministry of Corporate Affairs requires auditors to verify the status of the companies that an audit client of theirs may be doing business with and flag those that may have credentials that are considered to be suspect. IRIS Look up serves this need.

Similarly, the GST team has launched Litigation support software, after seeing the surge in disputes between GST filers and the government. We have launched this software in partnership with a leading CA firm which specialises in GST litigation.

The investments required to build these products in the future may be substantially different from our current portfolio of products and services in order to cater to changing customer preferences and mandate requirements.

We intend to continue to build additional modules in IRIS Carbon that would meet the requirements expected to emanate out of the specific requirements revolving around the ESG reporting mandates.

The key costs we incur in respect of our technology infrastructure comprise of employee costs, hardware costs, communication costs, software expenses, cloud hosting charges, and support cost incurred on facilities used by the employees.

Our organic growth strategy and associated investments are and will continue to be subject to multiple internal and external factors, including applicable business requirements including investments in newer technology infrastructure and platforms and towards complementary and ancillary business offerings to compete effectively and to adapt to changes in customer and user preferences and technological advancements.

We have historically incurred significant expense towards the above organic growth initiatives and believe that these outflows have contributed towards building a strong client and partner networks both in India and in overseas markets.

Particulars	(in ₹ Lakhs)	
	FY2021	FY2022
Product Development Cost	542.36	670.15
Sales & Marketing Cost	603.60	853.41
Total	1,145.96	1,523.56

2. **Investment in Subsidiaries for augmenting business development, sales, marketing and other related costs for future growth**

We have established an international presence through our subsidiaries which are given below:

Sr. No.	Name of our Subsidiary	Country
1	IRIS Business Services (Asia) PTE Ltd.	Singapore
2	IRIS Business Services LLC	USA
3	Atanou S.R.L.	Italy

Our equity investment as on March 31, 2022 in our subsidiaries, has been provided below:

Sr. No.	Direct and Indirect Shareholding	Investment in Equity	% of Holding
1.	IRIS Business Services (Asia) PTE Ltd.	INR 111.95 lakhs	98.36%
2.	IRIS Business Services LLC	INR 145.40 lakhs	100.00%
3	Atanou S.R.L.	INR 15.25 lakhs	100.00%
4	IRIS Logix Solutions Private Limited	INR 7.6 lakhs	76.00%

For further details, see and **"Our Business"** on page 68.

In many markets around the world, a local presence is demanded by clients as a condition precedent to doing business with a vendor. Over the years, we have lost out on several opportunities as we did not fulfil this requirement. This is especially in the case of government and regulator driven opportunities. But we went ahead and set up beachheads even if they were not adequately capitalised if only to establish a history that we can now build on to go after new opportunities. Our EU subsidiary and the US subsidiary need to be seen in this light

Our subsidiary in the US, IRIS Business Services LLC., will be tapping into the opportunity stemming from the need for state agencies to submit their Annual Comprehensive Financial Reports (ACFR) in the XBRL format. More than 90,000 state agencies are affected. It is also likely that the, Municipal Securities Rulemaking Board (MSRB) along with the Census Board and the Office of Management and Budget (OMB) will be stipulating 2ACFR reporting of 30,000 plus bond issuing state and federal agencies in the XBRL/iXBRL format. Further, the Office of Management and Budget of the Government of USA will soon require non-federal entities expending \$500,000 or more of federal rewards a year to undertake annual audit in accordance with Single Audit Act Amendments of 1996 impacting over +90,000 non-federal agencies. The reporting is expected to be in XBRL/ iXBRL format

All of these moves mentioned here above about the US throw up opportunities in the COLLECT and CREATE segments of our Company.

We intend to increase our local presence to directly engage with the prospective customers by investing in our Subsidiary to augment its business development, sales, marketing and other related costs to tap the above opportunities. Pursuant to such investment, we propose to build a local delivery team of technical and skilled staff who will aid us in marketing and selling our solutions to end users, channel partners and enterprise solution partners.

We propose to invest up to ₹ [●] Lakh out of the Net Proceeds in our overseas subsidiaries. Our Company proposes to invest such amounts from the Net Proceeds either directly or indirectly, by way of subscription to equity or preference share capital or by way of debt or in any other manner permitted by law as may be decided by our Board of Directors and management from time to time. The precise mode of investment and timelines are yet to be finalised as on the date of this DLOF and will be finalized at the time of utilization of the funds received from the Net Proceeds.

²Source: <https://xbrl.us/home/government/state-and-local-government/>

3. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating to ₹ [●] lakhs million towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) acquiring tangible and intangible assets, such as plant and machinery, furniture and fixtures;; (c) meeting any expenses incurred in the ordinary course of business by our Company and its Subsidiaries, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (d) meeting our working capital requirements including payment of interest on borrowings; (e) meeting of exigencies which our Company may face in course of any business, (f) brand building and other marketing expenses; and (g) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object, i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

Schedule of Utilization and Deployment of Funds

As described earlier, our Company shall raise [●] % of the Gross Proceeds on Application. The following table provides for the proposed deployment of funds to be raised at Application after deducting Issue related expenses.

Particulars	Amount proposed to be funded from Net Proceeds at Application#	Proposed schedule for deployment of the Net Proceeds at Application#
		Fiscal 2023
Funding organic growth initiatives	[●]	[●]
Investment in Subsidiaries equity for augmenting its business development, sales, marketing and other related costs for future growth	[●]	[●]
General Corporate Purposes*	[●]	[●]

#Rounded off to two decimal places.

The above-stated proposed deployment of funds from the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. Our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, costs of commodities, interest or exchange rate fluctuations. In the event, our Company does not utilize the monies stated herein above in the current Fiscal, the same would be utilized in the next Fiscal.

Estimated Expenses for the issue

The total expenses of this Issue are estimated to be ₹ [●]. The break-up of the Issue expenses is as follows:

(Amount in Lakhs)

Activity	Estimated Expense	% of Total Expenses	As a % of Issue size
Fee payable to the Lead Manager	[●]	[●]	[●]
Selling commission* and upload fees	[●]	[●]	[●]
Fee payable to the Registrar	[●]	[●]	[●]
Fee to the legal advisors and other professional service providers and statutory fee	[●]	[●]	[●]
Fee payable to regulators, including depositories and Stock Exchanges	[●]	[●]	[●]
Advertising, marketing expenses, shareholders outreach, etc	[●]	[●]	[●]
Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]	[●]
Total estimated issue expenses	[●]	[●]	[●]

* Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

Sources of financing of funds already deployed

As of July 7, 2022 our Company has deployed ₹1.06 Lakhs towards the objects of the Issue as certified by **KKC & Associates LLP** (Formerly known as M/s Khimji Kunverji & Co LLP), Chartered Accountants vide certificate dated August 11, 2022 through internal accruals and the same will be recouped out of issue proceeds reserved for Issue Expenses.

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Strategic and/or Financial Partners

There are no Strategic and Financial partners.

Appraisal

None of the Objects of the Issue have been appraised by any bank or financial institution.

Government approvals

There are no material pending government or regulatory approvals pertaining to the objects of the Issue.

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this draft letter of offer, which are proposed to be repaid from the Proceeds of this Rights issue.

Interim Use of Funds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Rights issue proceeds. Pending utilization of the proceeds for the purposes described above, our Company intends and will deposit the Proceeds only with scheduled commercial banks included in the second schedule of the Reserve

Bank of India Act, 1934, as may be approved by our Board.

Monitoring of Utilization of Funds

Since the proceeds from the Issue are less than ₹ 10,000 lakhs, in terms of Regulation 82(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for this Issue. Our Board of Directors will monitor the utilization of the Issue Proceeds. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet alongwith the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Clause 32 of the SEBI Listing Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Clause 32 of the SEBI Listing Regulation, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

Other Confirmations

Our Promoters, Promoter group, directors and key managerial personnel have no interest in any of the objects as stated above and other related matters thereof.

STATEMENT OF SPECIAL TAX BENEFITS

August 11/2022/SoKo

Independent Auditor's Report on Statement of Possible Special Tax Benefits

Date: August 11, 2022

To,
Board of Directors,
IRIS Business Services Limited,
T-231, 3rd Floor,
International InfoTech Park,
Vashi, Navi Mumbai – 400703.

Sub: Report on Statement of possible special tax benefits (the "Statement") available to IRIS Business Services Limited (the "Company") and the shareholders of the Company in connection with the proposed rights issue of equity shares of the Company under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 2018, as amended ("ICDR Regulations") (the "Proposed Issue").

1. This report is issued in accordance with terms of our Engagement Letter dated February 10, 2022.
2. The accompanying statement containing the possible special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961, as amended (the "Income Tax Act") read with Income Tax Rules, 1962, as amended by Finance Act 2021 (collectively referred as "Direct Tax Law") applicable for financial year 2022-23 relevant to Assessment Year 2023-24 and special indirect tax benefits solely in relation to the Proposed Issue as per the provisions of the Goods and Services Tax Act, 2017 (the "GST Act") as amended by Finance Act, 2021, presently in-force in India as on the date of our report (collectively referred as "Indirect Tax Law"), (hereinafter referred to as the "Statement") has been prepared by the management of the Company in connection with the Proposed Issue, which we have initialed for identification purposes.

Management Responsibility

3. The preparation of the Statement as of the date of our report, which is to be included in the Draft Letter of Offer/ Letter of Offer ("Offer Documents") is the responsibility of the management of the Company and has been approved by the Executive Committee of the Board of Directors of the Company at its meeting held on 11 August 2022. The management's responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the Direct Tax Law and Indirect Tax Law.

Inherent Limitation

4. The possible special tax benefits discussed in the Statement are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Direct Tax Law and Indirect Tax Law. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, and its shareholders may or may not choose to fulfil.
5. The benefits discussed in the Statement cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them. Further, the overview of the possible special tax benefits available to the Company and its shareholders' is not exhaustive or comprehensive. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.
6. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

Auditor's Responsibility

7. We have conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.
9. Pursuant to the requirements of provisions of the ICDR Regulations and the Companies Act, 2013, as amended (the "Act"), our responsibility is to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as at the reporting date to the Company and shareholders under Direct Tax Law and Indirect Tax Law.

Opinion

10. In our opinion, the Statement prepared by the Company, in all material aspects, the possible special tax benefits to the Company and its Shareholder in accordance with applicable Direct Tax Law and Indirect Tax Law, as at the date of our report.
11. We do not express any opinion or provide any assurance as to whether:
 - a. the Company and its shareholders will continue to obtain these possible special tax benefits in future; or
 - b. the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

Restriction on Use

12. Our work was performed solely to assist the Company in meeting your responsibilities in relation to the Proposed Issue. Our obligations in respect of this report are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.
13. This report has been issued solely at the request of the Company in connection with the Proposed Issue by the Company and this report or its contents thereof may accordingly be used or placed in the Offer Documents for the purpose of submission to the Stock Exchanges or any other regulatory or statutory authority in relation to the Proposed Issue. This report should not be used, referred to or distributed for any other purpose or any other party without our prior written consent provided however that the lead manager engaged for the Proposed Issue may be shared with a copy of this certificate. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **KKC & Associates LLP**

Chartered Accountants

(Formerly Khimji Kunverji & Co LLP)

Firm Registration. No.: 105146W / W100621

Sd/

Hasmukh B. Dedhia

Partner

ICAI Membership No.:033494

UDIN: 22033494AOURQY5121

Place: Mumbai

Date: August 11, 2022

Annexure I
Statement of Possible Special Tax Benefits

The information provided below sets out the possible direct and indirect tax benefits (indirect tax benefits solely in relation to the Issue) in the hands of IRIS Business Services Limited (the "Company") and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax benefits, under the current tax laws presently in force in India. Several of these benefits are dependent upon their fulfilling the conditions prescribed under the relevant direct and indirect tax laws. Hence, the ability of the Company and the shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and the shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. The tax benefits stated below are as per the Income-tax Act, 1961 (the "IT Act") as amended from time to time and applicable for financial year 2021-2022 relevant to assessment year 2022-23 (AY 2022-23) and special indirect tax benefits solely in relation to the Issue as per the provisions of the Goods and Services Tax Act, 2017 as amended from time to time and applicable for financial year 2020-21.

A. SPECIAL TAX BENEFITS UNDER THE IT ACT IN THE HANDS OF COMPANY AND THE SHAREHOLDERS OF THE COMPANY

1. Direct Tax

Special tax benefits available to the Company under IT Act

1. Section 115BAA: Corporate Tax Rate of 22%

- A new section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 i.e. AY 2020-21 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives and comply with other conditions specified in section 115BAA. The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") on its book profits under section 115JB.
- The Company is eligible to exercise the above option but has not yet exercised the option for lower corporate tax rate due to availability of MAT credit as on the date of this report.

2. Section 80M: Deduction on inter-corporate dividends

- With respect to a resident corporate shareholder, a new section 80M is inserted in the Finance Act, 2020 w.e.f. 1st April 2021, which provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139. Special tax benefits available to the shareholders.
- Where the Company receives any dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under Section 80M of the Act.

3. Section 80JJAA: Deduction in respect of employment of new employees

- In accordance with and subject to the conditions specified under Section 80JJAA of the Act, a company is entitled to a deduction of an amount equal to 30% of additional employee cost incurred in the course of business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred. Additional

employee cost means the total emoluments paid or payable to additional employees employed in the previous year.

- The company should be eligible to claim this deduction in case it incurs additional employee cost within the meaning of Explanation (i) to sub-section (2) of Section 80JJAA of the Act and satisfies the conditions mentioned in the section. The deduction under section 80JJAA would continue to be available to the company even where the company opts for the lower tax rate of 22% under the provisions of section 115BAA
4. TDS on dividend distributed to shareholders
- The Company would be required to deduct tax at source on the dividend paid to the shareholders, at applicable rates. The shareholders would be eligible to claim the credit of such tax in their return of income.
 - The non-resident shareholders can offer the dividend income to tax under the beneficial provisions of the Double Taxation Avoidance Agreement, if any. Further, the non-resident shareholders would be eligible to claim the foreign tax credit, based on the local laws of the country of which the shareholder is the resident

Special tax benefits available to Shareholders

No special tax benefits are available to shareholders of the Company

2. Indirect Tax

Special tax benefits available to the Company and its shareholders under GST Act

Solely in relation to the Issue, there are no special indirect tax benefits available to the Company or its shareholders.

Note:

For the purpose of reporting here, we have not considered the general tax benefits available to the Company or shareholders under the GST and neither any special tax benefits available to the Company or shareholders under the GST Act other than for the Issue.

Notes:

- Our views expressed in this statement are based on the facts and assumptions as indicated in the statement.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time.
- We do not assume responsibility to update the views consequent to such changes.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
- This statement has been prepared solely in connection with the Rights Issue under the Regulations as amended.

For and on behalf of
IRIS Business Services Limited
K. Balachandran
Whole-Time Director & Chief Financial Officer
Place: Navi Mumbai
Date: 11 August 2022

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

We operate in an industry that is only just beginning to be large enough to gain an identity of its own. It is called Regtech, a short form for regulatory technology. It is all about the use of Information Technology to enhance regulatory processes. To get a grip on our industry would require an understanding of the Regtech industry. The generally accepted definition of Regtech covers companies seeking to deliver software to businesses to help them comply with regulations efficiently and less expensively. However, we take a slightly larger view of the industry by including companies that also help regulators improve regulatory oversight. There are fewer companies in this segment which some, analysts are beginning to call Suptech. The dynamics of the Regtech and the Suptech business are different but without doubt it is Suptech that provides the *raison d'être* for Regtech. It is also worth noting that the segment has often been lumped together into a bucket called GRC or Government, Risk and Compliance. This was the case when the world had not gone digital to the extent it has, today. We are also building products that will take us into the industry that is called Data tech.

What a company in this industry does is almost as important as how it is done. In these days of the distributed enterprise, how a solution is delivered is important and may well make the difference between acceptability and rejection. SaaS is throwing up possibilities like never before. The ability to deliver Software is delivered as a Service adds a whole new dimension to the industry. Software as a service (SaaS) is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. SaaS is also known as "on-demand software" and Web-based/Web-hosted software.

To understand our industry, it is important to get one's head around Regtech, Suptech and SaaS. We simply call ourselves a Regtech SaaS company. We will first address the SaaS market opportunity.

Traditionally, India has been known for IT Services³ and or ITES, both of which are industries where the country has emerged as a world leader. This has been on account of the efforts of Indian IT companies like TCS, Infosys, Wipro and so many others who have built successful IT Services and ITES businesses. Today, India is the leading sourcing destination across the world, accounting for approximately 55% market share of the US\$ 200-250 billion global services sourcing business in 2019-20. The IT industry accounted for 8% of India's GDP in 2020.

But all of this is on the threshold of a transformation. While India may well continue to maintain its leadership in IT Services and ITES, there is an epoch-making shift happening in the industry. A SaaS Boomi report entitled "Shaping India's SaaS Landscape," says that by the year 2030, the value-creation opportunity available to Indian SaaS companies could rival the value created by the larger Indian IT services industry.

SaaS is the future whose time has already come. SaaS Boomi should know. They are a community of founders of Indian SaaS companies who have contributed to no small end to laying the foundation of the SaaS ecosystem in India. The report referenced here above and cited below was developed by SaaS Boomi with global consulting firm, McKinsey, as Knowledge Partners.

SaaS Boomi's views have been endorsed in yet another report, this one published by Chiratae Ventures with their knowledge partners, Zinnov, a global management and strategy consulting firm who have described the Indian SaaS revolution as a rising trillion dollar global opportunity.

³Software as a service is not to be confused with software services. The world of software services or IT Enabled Services is not dissimilar to manpower business where teams are deployed to develop or maintain software for a client. When the software is developed for a client, the ownership vests with the client. The Software as a Service business in sharp contrast is a software product business where the software vendor continues to own the product and charges the client on a per use basis or on a subscription basis.

Where does Regtech fit into this? The SaaSBoomi report recognises that the SaaS opportunity could be broad-based with 400 and more domains. While they do not provide estimates for the Regtech opportunity in each of the sectors they have looked at, they have recognised that opportunities exist for providing solutions for regulatory compliance in every industry, from BFSI to healthcare, from manufacturing to services.

According to a press release⁴ put out by global market research agency, Reports, in which they have offered the high level findings of their study of the global regtech market, the opportunity size is "expected to grow USD 7.6 billion in 2021 to USD 19.5 billion by 2026, at a Compound Annual Growth Rate (CAGR) of 20.8% during the forecast period."

Market characteristics⁵

- Of the \$3-trillion global enterprise IT and communications spending market, software, including software as a service (SaaS) constituted \$600 billion in 2020, growing at 7-8% per year –almost twice as fast as the overall market.
- The global SaaS market is expected to nearly double from \$220B in 2020 to \$540B by 2025 and could reach nearly \$1-trillion by 2030. In fact, the global SaaS market could grow at 18-20% annually to cross \$500 billion in revenue by 2025.
- Indian SaaS companies now generate \$2-3 billion in revenues each year and have earned about 1% of the global market. If they reach their full potential, they could generate annual revenues of \$50-\$70 billion by 2030 and win 4-6% of the global market – a value creation opportunity of \$500 billion to \$1 trillion.
- Most software expected to be SaaS by 2030, with SaaS expected to account for anything ranging from 70% - 80% of all software. The current global split is one third for SaaS. The biggest opportunity going forward is expected to be in the area of Data management, AI and analytics.
- SaaS opportunities are not necessarily only in the USA, the markets are everywhere. The report says that while North America is expected to register a CAGR of 19.2 %, opportunities in Asia and MEA are expected to register a higher CAGR of 19.4 %. Europe at 18% and the rest of the world at 19% are not far behind either.
- In a press release⁶ published by them on the basis of a study of the eGRC opportunity, Polaris Market Research estimates it will reach \$ 96.98 billion by 2028, especially in the aftermath of Covid, growing at a CAGR of over 14% between 2021-2028.
- Research and Markets is slightly more conservative, saying that the Global eGRC Market estimated to be USD 36.4 Bn in 2021 is expected to reach USD 73.79 Bn by 2027, growing at a CAGR of 12.5%.
- While the compliance market has always been big as evidenced by the estimates available for what is known as GRC (Governance, Risk and Compliance), what is driving this are the digitisation initiatives, creating what is beginning to be known as the eGRC market. Between Regtech, GRC and eGRC it can get confusing, but suffice to say that the opportunity size is not a binding constraint for a company of the size of IRIS.

4 <https://www.prnewswire.com/in/news-releases/global-regtech-market-key-players-demands-trends-and-size-is-expected-to-grow-usd-19-5-billion-by-2026-reportsnreports-805754587.html>

5 Source: SaaSBoomi for all SaaS related data

6 <https://www.prnewswire.com/news-releases/enterprise-governance-risk--compliance-market-size-worth-96-98-billion-by-2028--cagr-14-1--polaris-market-research-301432800.html>

INVESTMENTS/ DEVELOPMENTS

Given the growing opportunities in SaaS and Regtech, it is understandable that significant investments are flowing into these areas.

- The SaaSBoomi report says that about \$1.5 billion was invested in Indian SaaS companies in 2020, four times more than two years ago.
- In 2021, the amount raised was of the order of \$ 4.5 billion according to a report from consultancy company, Bain & Co.
- The SaaSBoomi report further says that while Indian SaaS remains attractive for investors though funding needs may need to grow by 3-4X.
- The recent listing of Rate Gain Travel Technologies on the BSE and NSE has also served to raise the interest of public market investors in Indian SaaS companies.
- The listing of Chennai based Fresh works on Nasdaq has served to attract the attention of international investors to the Indian SaaS opportunity.

GOVERNMENT INITIATIVES

Given that we are operating across the world, we closely follow the digitisation initiatives in many countries. The world over, the direction of movement is clear. In India, for example, the government has taken many initiatives which reflect their thinking, all of which augurs well for the growth of this industry.

- Central to this is Digital India and the moves by the government to lay a solid foundation to ensure that the benefits from digitisation are transmitted through the entire economy. The growth of the Regtech industry is understandably predicated on the extent of digitisation across the country.
- Indeed more and more of the interactions between the government and businesses and between the government and the people have gone digital, from money transfers to tax reporting including income tax and GST. More than 102 lakh businesses are registered for Udyog Aadhar as per data provided by the government.
- At the same time, the government in India has started reducing the compliance burden for businesses. According to data⁷ provided by the Department for Promotion of Industry and Internal Trade, more than 22000 compliances have been reduced. The government has also launched the National Single Window System⁸, a digital platform for guidance of investors to identify and to apply for approvals as per their business requirements. Presently, the portal hosts applications for approvals from 21 Central Departments and 14 State Governments.
- There is also a willingness on the part of the government to accelerate cloud adoption which is important for the development of SaaS companies. Considerations of privacy and data security are being addressed with some degree of speed to hasten cloud adoption. Users too are waking up to the savings that a SaaS solution promises. So much so that even banks, who would ordinarily have been the last to adopt cloud based solutions are increasingly lowering their reluctance to this approach especially for noncritical applications and have even approached the banking regulator for permission to move more and more applications to the cloud.

⁷ <https://pib.gov.in/PressReleasePage.aspx?PRID=1758949>

⁸ <https://www.nsws.gov.in/>

Recent developments in other countries carry tremendous significance.

- For example, state governments across the United States are moving to standards based reporting within the next two years. The mandate will cover every government entity, federal, state and local, including municipal corporations.
- In Europe and across the world, mandates have been announced in the area of ESG reporting. In fact, the effect of the ESG mandate in the EU⁹ and the USA has been to propel countries who have not moved to standards based reporting to take the first steps in that direction.
- The World Bank¹⁰ too has weighed in on the subject of XBRL adoption, encouraging governments to move forward. "XBRL provides benefits in the preparation, analysis, and communication of business information. Increasingly used in many countries around the world, XBRL plays a role in enhancing the data integrity and credibility of financial report and auditing. It facilitates better and faster access to information; transparency in the whole information supply chain is increased. The stakeholders, including the Government, should engage and define a process to implement the XBRL initiative," said The World Bank when commenting on South Africa's adoption of XBRL.

ROAD AHEAD

One of the most significant developments that portends well in India, is the initiative taken by the Comptroller and Auditor General of India (CAG) recommending the adoption of data standards across the government.

Says the CAG¹¹: "A critical aspect in this data driven world is to ensure availability of credible and reliable data, both for decision making and for audit. Digitization has led to transformation of financial information. Underlying this information is data. We advised the Government, under Article 150 of the Constitution of India, on the need to bring in a legislation called 'Data Accountability and Transparency Act (DATA)'. The advice emphasized that today, the 'form and manner' of accounts has to be driven by a data standards approach which is rooted in technology. We need a proper framework and dictionary to help capture, record, report, publish, analyses this data, consistently and accurately, both vertically across levels of Government and horizontally across entities that perform functions on behalf of Government by bringing these transactions and entities under an IT led financial reporting framework.

It is pertinent to mention that any advice tendered under Article 150 is binding on the government.

The CAG annual report identifies the problem as follows: The usability (of data) is restricted as it is in separate and disparate databases primarily for their own purpose. Data is difficult to link, compare and analyses across Government due to lack of common data standards. A metadata catalogue or common data dictionary is not operational.

The CAG goes on to propose a solution. "(The government should adopt) data standards which are rules by which data is described and recorded. In order to exchange, share and understand data, both the format and the meaning are required to be standardized. Data standards make it easier to create, share, and integrate data by making sure that there is a clear understanding of what the data represents and that it is in a form that is expected. It also helps remove ambiguities and inconsistencies in the use of data.

9 https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/211104-ipsf-esg-disclosure-report_en.pdf

10 <https://openknowledge.worldbank.org/bitstream/handle/10986/16682/824940ROSCOP130official0use0only090.pdf?sequence=1&isAllowed=y>

11 https://cag.gov.in/uploads/guidance_notes/guidanceNotesPracticeGuides-05f91825458fc50-52277021.pdf

In short, the acceptance of the recommendation will create opportunities both at the centre and in each of the states and UTs, covering all situations including B2G, G2G and G2B, creating opportunities for Regtech firms. This may be at least 2-3 years away.

India is not the first country in the world going down this path. Several other countries in the world are pushing the frontiers by increasingly taking a standards based reporting approach. The United States is a prime example and the template they have created with the DATA Act¹² and the GREAT Act¹³ are being reviewed by several governments from across the world for adoption in their own countries.

¹²<https://www.congress.gov/113/plaws/publ101/PLAW-113publ101.pdf>

¹³<https://www.congress.gov/bills/116/congress/house-bill/150/text/pl>

OUR BUSINESS

OVERVIEW

Our Company was originally incorporated as IRISBUSINESS.COM (INDIA) PRIVATELIMITED at Mumbai, Maharashtra as a Private Limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated October 03, 2000 bearing registration number 128943 issued by Assistant Registrar of Companies, Maharashtra, Mumbai. Consequently, the name of our Company was changed to IRISBUSINESS Services (India) Private Limited and thereafter to IRIS Business Services Private Limited and fresh certificate of incorporation upon change of name was issued by Registrar of Companies, Maharashtra, Mumbai dated October 27, 2003 and by Deputy Registrar of Companies, Maharashtra, Mumbai dated July 13, 2009 respectively. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on May 13, 2010 and fresh certificate of incorporation consequently upon change of name was issued by Assistant Registrar of Companies, Maharashtra, Mumbai dated June 29, 2010 and to consequent legal status the name of our Company was changed to "IRIS Business Services Limited". Our Company was originally listed on SME platform of BSE Limited on October 11, 2017, subsequently migrated on the Main Board platform of BSE Limited vide their notice no. 20211103-16 dated November 03, 2021 and also directly listed to Main Board platform of NSE vide their letter NSE/LIST/03 dated November 03, 2021. The Corporate Identification Number is L72900MH2000PLC128943.

We discovered the XBRL opportunity in 2004-05, starting off initially by conversion services to Edgar Online¹⁴ to help create for them, the world's first repository of US company financials in XBRL. The signs were visible that the US SEC would sooner or later mandate reporting in XBRL, (an XML based reporting standard) hence we decided to invest in exploring the opportunity further. As the US SEC introduced a period of voluntary compliance and then moved onto a phase wise roll out, we expanded our team and also developed software tools for internal use to help develop XBRL documents. US financial printer, Merrill Corporation¹⁵, picked IRIS as their vendor for creating XBRL filings for their clients. The origins of our "CREATE" business can be traced back to our work with Edgar Online and later, Merrill Corporation.

Recognising the benefits of XBRL, we started engaging with Indian regulators to evangelise XBRL. We figured that if XBRL is here to stay, we should try and venture deep into the area. It was not long before we bagged our first assignment. At the prodding of SEBI, BSE decided to adopt XBRL, we won a mandate to develop a filing platform for them. That marked the birth of the segment that we now call "COLLECT." Around this time, The Indian Ministry of Corporate Affairs too decided to embrace XBRL and asked the Institute of Chartered Accountants (ICAI) to create the taxonomy as the first step. That mandate too came our way. The cherry on the cake was our win at Reserve Bank of India. It is a matter of great pride for us that we have helped transforms the Indian banking system for all time to come. We developed tools for RBI and for banks as well to help them consume the XBRL data, that is how "CRILC" was born and with it, the "CONSUME" segment of our business took shape. And as RBI encouraged banks to adopt internal automation, we developed iDEAL for our banking clients, another product which is part of the "CREATE" segment.

Even as services continued to be the mainstay of our business, we started winning mandates for our "COLLECT" offerings outside India, a prestigious win in Singapore being among the first. With most regulators wanting to offer tools to the filers, our "CREATE" segment, while not generating many revenues, was finding its mojo.

As time passed, the future of the services business began to look uncertain, as companies wanted to explore a Do-it-Yourself or DIY model. They wanted to do it on their own, to save money but more importantly to keep control of the process. Seeing the writing on the wall, we pivoted from our services led model to a product Centred approach. We had

¹⁴They have since been acquired by R.R. Donnelley

¹⁵Now called Toppan Merr till after merging with Toppan of Japan

reinvested the surpluses generated through our services business to develop a suite of product offerings straddling the length of the information supply chain.

At the same time, concerned by the slow proliferation of XBRL around the world, we started researching other standards as well. So, when RBI decided to embrace SDMX, we were prepared. We worked on other file formats as well such as JSON which has been preferred by GSTN for GST filings in India.

Today, our business continues to have the same three segments: COLLECT, CREATE and CONSUME. Our software helps regulators COLLECT pre validated submissions of those they regulate in not just XBRL but other formats too. On the other hand, enterprises rely on our software to "CREATE" their submissions to the regulator in the format prescribed by the regulator, be it XBRL or any other. Our suite of offerings that we club together as "CONSUME" includes software that banks for instance use to analyse the data they file with regulators; it also covers tools for regulators to analyse filings.

Most of our revenues today come from four products: iFile, the flagship product of the — Collect division deployed to help regulators collect data from those that they regulate; iDeal and IRIS Carbon and IRIS GST, the three main products of the — Create Division, used by banks and enterprises to generate ready to file submissions to regulators.

For now, we have cut back on our investments in the CONSUME segment. Central to this is a data repository which will provide the foundation for the products of this segment.

In recent times, we have chosen to go the SaaS way with a few products. While there is only one SaaS client for iFile, largely on account of the conservative mind set of regulators, our flagship product in the "Create" segment, IRIS Carbon is a SaaS offering. IRIS will always have a SaaS business as well as a non SaaS business.

We are active in the global XBRL community by engaging actively with the XBRL International, the standards setting body and the various country specific jurisdictions. IRIS has multidisciplinary skills, taxonomy experts, software engineers, business analysts, accountants and data scientists, who have all come together to provide a complete range of offerings across the length of the information supply chain.

Our Company, IRIS Business Services Limited is a global provider of software products for compliance, data and analytics. We have developed a name for ourselves in the global RegTech Industry with a range of products that straddle the length of the information supply chain. "Regtech" is the use of new technologies to solve regulatory and compliance burdens more effectively and efficiently.

While India remains an important market, our Company is largely focussed on overseas markets, with a geographical spread covering some 42 countries. Our customer list includes Central Banks, Business Registries, Capital Market Regulators and Stock Exchanges, including Corporates, Banks, Mutual Funds, consultancy firms, etc. We also have established subsidiaries in United State, Singapore and Italy.

OUR COMPETITIVE STRENGTHS

We have much going for us, including a proven set of products straddling the length of the information supply chain combined with services on demand, a portfolio of reference able clients, deep domain knowledge, a well-developed partner network across geographies and competitive pricing.

We have two kinds of partners. We have implementation partners who work with us to implement our solution for regulators. We have sales partners who sell our products and provide local support to our enterprise clients. In fact, our strategy has been built largely on a sound foundation of partner relations.

Experienced Management Team and Qualified Pool of Employees

We are led by a dedicated senior management team with several years of industry experience. We believe our senior management team is able to leverage our market position and their collective experience and knowledge in the compliance space, to execute our business strategies and drive our future growth. Our Promoters, Mr. Swaminathan

Subramaniam, Ms. Deepta Rangarajan and Mr. Balachandran Krishnan, were pioneers in the XBRL based compliance reporting space and devised our company's market strategy and business model. Together, they have more than six decades of collective experience in the industry in which we operate. In addition, we believe the strength and entrepreneurial vision of our promoters and senior management has been instrumental in driving our growth and implementing our strategies. In addition, we have an experienced and qualified team of employees. We believe our position as a global regtech company represents a significant competitive advantage in attracting and retaining high-quality talent. Our personnel policies are also aimed towards recruiting qualified and talented individuals, facilitating their integration into our company, providing a conducive work environment, and promoting the development of their skills, including through in-house and external training programs.

Established long-term relationships with our clients

Long term client relationships provide the foundation for our business. Our client list includes regulators like central banks, securities commissions and stock exchanges, business registries, as well as enterprises, banks, mutual funds and financial institutions. Our track record of delivering our suite of solutions backed by demonstrable industry and technology expertise, and sensitivity to our clients' feedback has helped us forge strong relationships with our major clients. We have a history of high client retention and derive a significant proportion of our revenues from repeat business (defined as repeat business generated in the preceding Financial Year) built on our successful execution of prior engagements. In order to improve client retention, we carry out regular surveys, which is important for us to ensure a high level of client satisfaction through continuous feedback.

Diverse and Strong Geographical Presence

Our end customer includes central banks, securities commissions, stock exchanges, business registries, etc. With our main office in India and subsidiaries in the USA, Singapore and Italy our company has been able to provide serve a global market covering several countries including Mauritius, South Africa, United States of America, United Kingdom, EU Countries, Singapore, Nepal, Kuwait, Macedonia, UAE, etc.

Our Growth Strategy

We strive to change the way the world collects, manages, report and analyses data, specifically business data. We have customers in multiple end markets, and we intend to pursue new customers in existing markets, and also to seek attractive new markets.

Key elements of our growth strategy include:

Pursue New Customers.

Our primary growth strategy is to sell the iFile platform to regulators making their first foray into digital reporting. On the filing side, our first solution was focused on regulatory reporting and enabled customers to automate and improve their regulatory filing process. We continue to attract regulators whose interest in our compliance reporting solutions allows us opportunity to leverage the brand equity so gained to attract new customers. In 2016, we launched our Carbon platform, which has bagged us clients across four geographies. In 2017, we entered the GST space and have been successful in acquiring an initial set of marquee customers. The European Securities Markets Authority has brought in an Inline XBRL based reporting mandate for all listed European companies starting from 2021. We plan to increase our sales presence in Europe. In the US, the Federal Energy Regulatory Commission (FERC) announced an XBRL based reporting mandate for the energy companies, starting in 2021. This is another area where we plan to focus more. Our overseas sales team will be less product focussed and more geography focussed, with product specialists to support them from India. We may also be required to depute product specialists in certain geographies like the USA where the market is big enough to justify this.

Generate Growth from Existing Customers

The growth drivers for our solution are similar in other parts of the world, including the need to reduce errors and risk, improve efficiency and respond to increasing regulatory requirements. In India, we have developed IRIS GST which fulfils the filing requirements under GST Regime. Existing clients in the regulatory space, in India and overseas have turned to us whenever they have sought to expand existing reporting mandates.

Extend Our Suite of Solutions.

We intend to introduce new solutions to continue to meet growing demand for the creation, presentation and analysis of critical business data. For example, recently there has been a move, particularly in the EU, to bring ESG reporting under the Inline XBRL reporting format. Even though this might take some time to become a binding mandate, there exists significant opportunities here for the company as companies start preparing for that eventuality.

Our close and trusted relationships with our current customers are a source of new use cases, features and solutions for our solution roadmap. We have a disciplined process for tracking, developing and releasing new solutions that are designed to have immediate, broad applicability, a strong value proposition and a high return on investment for both our company and our customers. Our solution strategy and advance planning groups assess customer needs and conduct industry- based research, market and domain analysis and prototype development. This process involves our sales and product marketing, customer success, consulting, research and development, finance and senior management teams.

Develop New Data Solutions.

With our depth of experience working with a range of business and financial data across regulators as well as enterprises in several countries around the world, we see opportunities in data driven analytics solutions for both segments.

We have made significant investments in our technology infrastructure, machine learning models and data analytics capabilities to strengthen our offerings and customer experience. Going forward, we plan to continue to develop and invest in cutting edge technology to further strengthen our capabilities and stay relevant. To this end, we will continue to focus on hiring and retaining strong technology talent.

Expand our business and geographical footprint

We aim to pursue growth strategies to expand our market share across key geographies and solutions. Our platform is designed to be natively multi-lingual to address challenges in multi-national organizations. As at March 31, 2022, we have worked with clients in more than 42 countries and believe that we have a significant opportunity to grow our international footprint. We are investing in direct and indirect sales channels, professional services, customer support and channel partners to expand our geographical footprint.

With respect to our geographic operations, India, Europe, Africa and the Middle East have traditionally been the largest contributors to our revenues, contributing 40%, 20%, 17% and 14% respectively of our total revenue from operations in fiscal 2021. We have a regional go-to-market strategy with specific strategies for mature markets such as the USA and developing markets such as India and South-East Asia.

As at March 31, 2022, we had over 5747 active customers across verticals, including banking, government/PSUs, central banks and insurance. We believe that the market for our products is in its early stages and that we have a significant opportunity to grow by adding additional large enterprise and government customers.

As at March 31, 2022, we have around 80 partners working with us across our various business segments. The partners belong to different types and include Resellers, System Integrators, Software Sellers and Consultants.

Attract, develop and retain highly-skilled employees

IRIS will amount to nothing without the people who work in the company. The slow proliferation of standards base

reporting and XBRL in particular means that there is not a big talent pool to choose from whenever we need to expand. This makes it even more important for us to invest in recruitment, development and retention, while fostering a culture of innovation while creating both a challenging and rewarding work environment. We attempt to nurture a high performing workforce in a healthy by offering unparalleled freedom. Our area of work is niche and developing competencies takes time. Most of our products are thought of by our colleagues who spot customer needs by spotting unmet gaps when engaging with them. We expect to continue to offer stock based compensation to provide our colleagues an opportunity to benefit from the growth of the company because of their work.

PRODUCTS

Our products meet the needs of regulators to collect and of the regulated to create data for submission to regulators. It also meets the paramount objective of analysis of data so created and submitted.

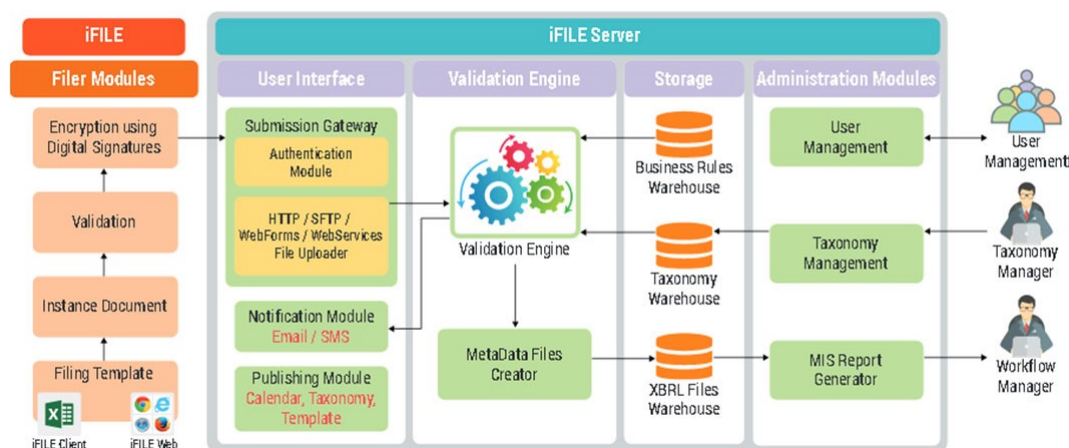
COLLECT	<ul style="list-style-type: none"> • TAXONOMY & CONSULTING: Taxonomy design and development, Taxonomy testing and review, Training, R&D 	<ul style="list-style-type: none"> • IRIS iFILE : On Prem Filing platform for regulators to help them receive pre validated data in XBRL
CREATE	<ul style="list-style-type: none"> • CARBON : SAAS Document Authoring and Compliance Reporting Platform • IDEAL :On-Prem Solution to for banks to automate their reporting in XBRL 	<ul style="list-style-type: none"> • IRISGST : SAAS An end-to-end solution to facilitate GST reporting in India • EINVOICING: SAAS Facilitates eInvoice creation and management, seamless integration with IRISGST
CONSUME	<ul style="list-style-type: none"> • Credixo : DAAS GST data feeds to facilitate lending decisions 	<ul style="list-style-type: none"> • IRIS PERIDOT: Mobile / DAAS App to verify GST compliance, similarly APIs to pull such data

COLLECT

iFile is the flagship product of this segment. It is a software platform which helps regulators with the collection of pre validated data. We count among our clients, BFSI regulators, capital market regulators and business registries.

IRIS iFILE – An Electronic Filing platform

IRIS iFILE is an end-to-end electronic filing framework comprising several modular components; file allows easy management of all the stages of the disclosure management lifecycle. The framework can be customized for various reporting environment and uses the XBRL information standard and other similar formats to enable data collection and its validation. The offering is divided into Filer and regulator modules. The filer modules allow filers to create documents for submission to a regulator. The regulator modules consist of several applications that allow the regulator to accept, validate and store instance documents. It also allows the regulator to manage and publish the taxonomy, filings, filing calendar among others.



IRIS iFILE has been used by a cross section of regulators including Business Registries and those with oversight of Capital Markets, Banking and Stock Exchanges. Since its launch, IRIS iFILE has been deployed by 30 regulators spread over 24 countries. While an overwhelming majority of them are paying customers, we also have a few pro bono installations to demonstrate the value of our approach. These include applications in areas as diverse as policing and sports.

At the heart of the solution that we offer is the taxonomy and the USP of our approach is the ability to prevalidate the data before it is moved into the regulator's system. Recognising that regulators change taxonomies, triggered usually by changes in the reporting requirement, we have a product called Noah which is a taxonomy editor. Regulators deploy *Noah* to make changes to the taxonomy. To facilitate validation, we have developed and deployed a validator that is called BushChat which permits validation. Both Noah and Bush Chat are presently sold bundled with iFILE.

CREATE

IRIS CARBON is the flagship product of our CREATE segment. It is a cloud based authoring tool used by enterprises to generate the filings they submit to the regulator in the format asked of them, which is more often than not, XBRL. From submissions to capital market regulators and stock exchanges to filings to business registries, the tool has gained wide global acceptance. Most recently, energy companies in the US have started using the product to create their filings to the federal energy regulator.

IRIS iDEAL is being used by large number banks and other financial institutions in India and Mauritius for automated regulatory reporting, it is also finding interest from other markets such as the European Union.

iDeal has also provided the foundation for other products to enable filing to regulators as far removed as the tax authorities in Turkey and the Financial Intelligence Unit in India.

IRISGST is an integrated SaaS platform which assists medium and large enterprises in India with their multiple use cases of e-invoicing, e-way bills, GST reporting required under the GST law.

IRISGST has been empaneled as a GSP since 2017 which gives a direct system access to Govt systems managed by GSTN and NIC. The SaaS platform built on top of this underlying API access has been designed on principles of scalability and adaptability to be able to continuously provide value proposition to enterprises in a fast paced and dynamic GST regime.

Large and medium enterprises through direct integration with their source systems get benefits of e-invoice and e-way bill management, reconciliation for ITC, seamless GST compliance through our suite of product offerings

IRIS LMS is a cloud-based litigation management software developed by IRIS in association with DAA Consulting, a specialized Indirect Tax Consulting Organization. It helps companies to manage the lifecycle of Tax Audits and litigations digitally.

With IRIS LMS, tax teams can seamlessly organize their direct tax (planned) and indirect tax data digitally and get ready to face tax audits and track litigations. You can store various documents such as Notices, Orders, relevant case laws, scanned documents, workings or returns, compliance, reconciliations, etc. for easy and quick retrievals.

CONSUME

Credixio, a product that has its roots in our GST business is used by financiers and lenders to use consent driven GST data of a borrower for credit decisioning and monitoring purposes. IRIS Peridot is a GST app targeting the substantial small tax payer base to verify, manage and monitor self GST compliances and that of its counter parties, still under construction Data Consumption Platform (DCP), our Data-as-a-Service or DaaS offering, is a repository of structured data culled from XBRL filings submitted by companies to securities markets regulators and company registries.

IRIS LookUp is a cloud based, do-it-yourself utility solution for small teams of large and mid-size companies which allows faster searching of the MCA Struck-Off companies from the ROC list, irrespective of which RoC they are registered with. These records are otherwise analysed manually. Built to act as a comprehensive directory of segregated public records, IRIS LookUp is planned to support Bulk GSTIN Search, PAN to GSTIN Search etc in future releases.

Build by an experienced team of data analysts and technical experts, IRIS LookUp comes from the house of IRISGST- A business line of IRIS Business Services Limited.

REVENUE MODEL

Our revenue model and products offerings can be summarized as under:

Business Segment	Offering	Pricing
COLLECT, serving regulators	Taxonomy Development	One time consulting fees
	Noah, Taxonomy editor	Free with iFile
	iFile, e filing platform	One time licensing fees
	System Integration/ Customisation	Implementation fees on a T & M basis
	BushChat, the validator	Free with iFile
CREATE, products for filers	IRIS Carbon, filing solution	Pay per use
	iDeal, for BFSI filers	Flat Monthly fee
	IRIS GST	Monthly fee linked to usage
	LMS	One time pricing; subscription and infrastructure cost, if required
CONSUME	Peridot	API based pricing
	IRIS Credixio	API based pricing
	Lookup	Slab pricing

Our revenues from operations for Fiscal 2022, Fiscals 2021 and 2020 were ₹ 6127.23, ₹ 5714.96 Lakhs and ₹ 4856.33 Lakhs respectively. Our EBITDA for Fiscals 2022, 2021 and 2020 were ₹ 792.53 Lakhs ₹ 1159.80 Lakhs and ₹ 598.45 Lakhs respectively. Our profit/ (loss) after tax for Fiscals 2022, 2021 and 2020 were ₹ 100.51 Lakhs ₹ 413.88 Lakhs and ₹ (189.71) Lakhs respectively. For further details, please refer to the section titled **"Financial Information"** on page 81 of this draft letter of offer.

Revenue Break-up

Our revenue break-up for financial years ending March 31, 2021 and 2022 is as follows:

(₹ in Lakhs)

Particulars	Fiscal 2021 (Audited)	Fiscal 2022 (Audited)
Domestic		
-SAAS Revenue	1161.65	1308.18
Total	1161.65	1308.18
Export		
-SAAS Revenue	1570.69	2050.67
Total	1570.69	2050.67
Gross Total	2732.34	3358.85

(₹ in Lakhs)

Particulars	Fiscal 2021 (Audited)	Fiscal 2022 (Audited)
Collect	2408.51	2109.10
Create	2688.08	3198.17
Consume	297.17	307.92
Total	5393.76	5615.19

(₹ in Lakhs)

Particulars	Fiscal 2021 (Audited)	Fiscal 2022 (Audited)
Collect	2,629.01	2,310.91
Create	2,788.78	3,508.40
Consume	297.17	307.92
Total	5714.96	6127.23

Note:

1. The figures for the financial year 2021-22 and financial year 2020-21 have been taken from the audited financial statements of respective years, prepared in accordance with the Indian Accounting Standard ("Ind AS"), including the Accounting Standards specified under prescribed Section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006.

Infrastructure facilities

Our office is at Vashi, Navi Mumbai and is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities like fire safety equipment, which are required for our business operations.

Power facilities

We avail electricity supply from Maharashtra State Electricity Distribution Company Limited adequate to meet our requirements.

Water facilities

Adequate arrangements with respect to water requirements for drinking are made through society facilities.

INSURANCE

We have purchased insurance in order to manage risks of losses from potentially harmful events, including insurance policy covering cyber liability, business shield SME – commercial policy, lease asset policy including - material damage, burglary and housebreaking, loss of electronic equipment / portable electronic equipment, Directors and Officers Liability insurance policy, employee health insurance and professional indemnity policy. These insurance policies are renewed periodically to ensure that the coverage is adequate.

PROPERTY

S. No.	Details of Property	Purpose	Owned / Leased
1	T-231, Tower 2, 3 rd Floor, International Infotech Park, Vashi Station, Vashi Thane MH-400703 India	Registered Office	Leased

OUR MANAGEMENT

Our Board of Directors

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship`	Other directorships in Companies
<p>VINOD AGARWALA</p> <p>Designation: Chairperson, Non-Executive and Independent Director</p> <p>DIN: 01725158</p> <p>Date of Birth: October 30, 1949</p> <p>Age: 72 Years</p> <p>Occupation: Professional</p> <p>Address: Damini, Flat No. 301, 3rd Floor, Juhu Tara Road, Vile Parle (West), Mumbai - 400049, Maharashtra, India</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: November 27, 2017</p> <p>Period of Directorship: For a term of five years commencing from November 27, 2017</p>	<ol style="list-style-type: none"> 1. Suditul Trading and Investment Company Private Limited 2. Technocraft Industries (India) Limited 3. Supreme Infrastructure India Limited 4. SBM Chemicals and Instruments Private Limited 5. V-Magnum Opus Strategic Solutions Private Limited 6. Supreme Panvel Indapur Tollways Private Limited 7. Supreme Infrastructure Bot Holdings Private Limited 8. GTL Infrastructure Ltd 9. Poorti Agri Services Private Limited 10. Delta Galil Textiles (India) Private Limited 11. West Coast Paper Mills Limited
<p>BHASWAR MUKHERJEE</p> <p>Designation: Non- Executive Independent Director</p> <p>DIN: 01654539</p> <p>Date of Birth: March 03, 1953</p> <p>Age: 69 Years</p> <p>Occupation: Professional</p> <p>Address: F-1/2, Sector 7, Vashi, Navi Mumbai – 400703, Maharashtra, India - 400703</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: October 09, 2017</p>	<ol style="list-style-type: none"> 1. GP Petroleums Limited

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship`	Other directorships in Companies
Period of Directorship: For a term of five years commencing from October 09, 2017	
ASHOK VENKATRAMANI Designation: Non- Executive Independent Director DIN: 02839145 Date of Birth: February 24, 1964 Age: 58 Years Occupation: Professional Address: 701, building No. 11, Eliza, Vasant, Oasis, Makwana Road, Off Andheri-Kurla Road, Near Marol Naka, Marol, Mumbai – 400059, Maharashtra, India Nationality: Indian Original Date of Appointment: October 09, 2017 Period of Directorship: For a term of five years commencing from October 09, 2017	NIL
HASEEB AHMAD DRABU Designation: Non- Executive Independent Director DIN: 00489888 Date of Birth: April 10, 1961 Age: 61 Years Occupation: Professional Economist Address: 1101, Hicon Residency, 26th Road, Near Palvardhan Park, Bandra (West), Mumbai, Maharashtra, India - 400050 Nationality: Indian Original Date of Appointment: November13, 2020 Period of Directorship: For a term of five years commencing from November 13, 2020	<ol style="list-style-type: none"> 1. Aspira Pathlab & Diagnostics Limited 2. Air Works MRO Services Private Limited 3. Yashraj Biotechnology Limited 4. Air works Livery Services Private Limited 5. Kahnov Realty Private Limited 6. Air works India (Engineering) Private Limited 7. Kahnov E-Learning Private Limited
Swaminathan Subramaniam Designation: Whole Time Director & CEO DIN: 01185930	<ol style="list-style-type: none"> 1. Investment Research and Information Services Limited 2. IRIS Knowledge Foundation

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original date of appointment, Change in designation and Period of Directorship`	Other directorships in Companies
<p>Date of Birth: March 24, 1962</p> <p>Age: 60 Years</p> <p>Occupation: Business</p> <p>Address: Plot 25 and 27, Flat No. C – 1411, Sector - 06, Nerul, Navi Mumbai, Maharashtra, Mumbai - 400706</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: October 03, 2000</p> <p>Re-appointment as a Director: May 01, 2021</p>	
<p>DEEPTA RANGARAJAN</p> <p>Designation: Whole Time Director</p> <p>DIN: 00404072</p> <p>Date of Birth: April 23, 1966</p> <p>Age: 56 Years</p> <p>Occupation: Business</p> <p>Address: Plot 25 and 27, Flat No. C – 1411, Sector - 06, Nerul, Navi Mumbai, Maharashtra, Mumbai - 400706</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: October 03, 2000</p> <p>Re-appointment as a Director: May 01, 2021</p>	NIL
<p>BALACHANDRAN KRISHNAN</p> <p>Designation: Whole Time Director & CFO</p> <p>DIN: 00080055</p> <p>Date of Birth: April 13, 1963</p> <p>Age: 59 Years</p> <p>Occupation: Business</p> <p>Address: B/706, Maharani Society, Sector-17, Navi Mumbai, Vashi, Maharashtra – 400703</p> <p>Nationality: Indian</p> <p>Original Date of Appointment: October 03, 2000</p> <p>Re-appointment as a Director: May 01, 2021</p>	<ol style="list-style-type: none"> 1. Investment Research and Information Services Limited 2. IRIS Knowledge Foundation 3. Extensible Business Reporting Language (XBRL) India

Confirmations

None of our Directors is or was a director of any listed companies, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the five (5) years proceeding from the date of this Draft Letter of Offer, during their term of directorship in such company.

None of our Directors is or was, a director of any listed companies, which has been or were delisted from any stock exchange(s), during the ten (10) years proceeding from the date of this Draft Letter of Offer, during their term of directorship in such company.

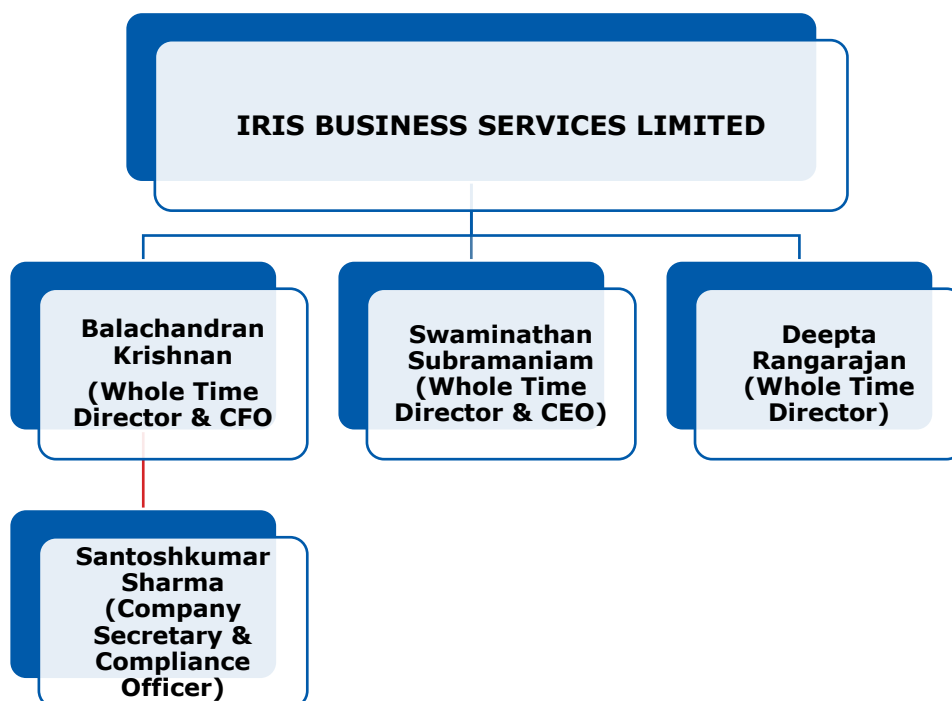
KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

Details of Key Managerial Personnel and senior management Personnel

Name of the KMPs	Designation
Swaminathan Subramaniam	Whole Time Director & CEO
Balachandran Krishnan	Whole Time Director & Chief Financial Officer
Deepta Rangarajan	Whole Time Director
Santoshkumar Sharma	Company Secretary and Compliance Officer

Management Organisation Structure:



OUR PROMOTERS

The Promoters of our Company are:

1. Subramaniam Swaminathan;
2. Deepta Rangarajan; and
3. Balachandran Krishnan.

Subramaniam Swaminathan - Mr. Swaminathan Subramaniam, aged 60 years, is Promoter, CEO and Whole Time Director of our Company. He has been the CEO of the Company since February 07, 2015. He is an economist trained at Yale University, USA. He is one of the founders of the Company and looks after overall management and marketing department of our Company. He was in committee of various Consultative Committee on XBRL, MCA, Govt. of India. He was also a Chairman of IT subcommittee, CII, Western Region and Vice-Chairman, Indian Merchants Chamber, Navi Mumbai.

Deepta Rangarajan - Ms. Deepta Rangarajan, aged 56 years, is the Promoter and Whole Time Director of our Company. She is a Chemical Engineer from the Indian Institute of Technology, Delhi, and an MBA from the Indian Institute of Management, Ahmedabad. Her key responsibilities in the Company include strategically building out team and employee recruitment. She heads the Human Resource Department of our Company.

Balachandran Krishnan - Mr. Balachandran Krishnan, aged 59 years, is the Promoter of our Company. He holds a graduate degree in chemical engineering from University of Calicut and an MBA from Indian Institute of Management, Bangalore. He has represented IRIS at various forums such as the IFRS Taxonomy Consulting Group of the International Accounting Standards Board (IASB); the XBRL sub-committee of the Ministry of Corporate Affairs, Govt. of India; the steering committee on fraud prediction models, Serious Fraud Investigation Office, Govt. of India and the XBRL International plenary.

For details of other ventures of the Promoters, please refer section "**Our Management**" on page 77 and for details of shareholding please refer section "**Capital Structure**" on page 43.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No	Particulars	Page No.
1.	Consolidated Audited Financial Statements for year ended March 31, 2022	83
2.	Standalone Audited Financial Statements for year ended March 31, 2022	94
3.	Standalone Audited Financial Statements for year ended March 31, 2021	103
4.	Consolidated Audited Financial Statements for year ended March 31, 2021	111

Independent auditor's report

To
The Board of Directors of
IRIS Business Services Limited

Report on the audit of the Consolidated Financial Results**Opinion**

1. We have audited the accompanying statement of Consolidated Financial Results of IRIS Business Services Limited (the "Parent" or the "Company") and its subsidiaries (the parent and its subsidiaries together referred to as the "Group"), for the quarter ended 31 March 2022 and the year to date results for the period from 1 April 2021 to 31 March 2022 (the "Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate audited financial statements of the subsidiaries, the aforesaid Statement:

2.1. includes the results of the following entities;

Sr No	Name of the entity
1	IRIS Business Services (Asia) PTE. Ltd
2	IRIS Business Services LLC
3	Atanou S.R.L
4	IRIS Logix Solutions Private Limited

2.2. is presented in accordance with the requirements of the Listing Regulations; and

2.3. gives a true and fair view, in conformity with the applicable Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India, of the consolidated net profit and loss other comprehensive income and other financial information of the Group for the quarter ended 31 March 2022 and the year-to-date results for the period from 1 April 2021 to 31 March 2022.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SA") specified under section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

4. Attention is drawn to Note No. (i) and (j) of the Statement where it is mentioned that financial information of subsidiaries i.e., IRIS Business Services LLC and Atanou S.R.L are prepared on going concern basis despite the liabilities thereof exceeding the total assets, having regard to business plans of these subsidiaries, and continued financial support from the Parent.
5. Attention is drawn to Note No. (g) of the Statement which describes the impact of COVID-19 pandemic on the unaudited consolidated financial results as also on business operations of the Group, assessment thereof made by the management of the Company based on its internal, external, and macro factors, involving certain estimation uncertainties.
6. Attention is drawn to Note No. (c) of the Statement which describes that the figures for the corresponding quarter and period ended 31 March 2021, including the reconciliation of net profit for the said periods with net profit reported under the previous GAAP worked out with necessary due diligence by the management of the Company, which have been approved by the Company's Board of Directors.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Consolidated Financial Results

7. The Statement has been prepared on the basis of the consolidated annual financial statements. The Parent's Board of Directors is responsible for the preparation and presentation of the Statement that give a true and fair view of the consolidated net profit and loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Ind AS prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Parent, as aforesaid.
8. In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company and the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.



Auditor's Responsibilities for the Audit of the Consolidated Financial Results

10. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - 11.1. Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - 11.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the Group has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
 - 11.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
 - 11.4. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - 11.5. Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - 11.6. Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



12. We communicate with those charged with governance of the Parent Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

15. The Statement includes the audited Financial Results of IRIS Business Services (Asia) PTE. Ltd, whose Financial Statements reflect Group's share of total assets of INR 84.89 Lakhs as at 31 March 2022, Group's share of total revenue of INR 53.72 Lakhs and INR 224.77 Lakhs and Group's share of total net profit after tax of INR 3.81 Lakhs and INR 16.20 Lakhs and total comprehensive income of INR 4.45 Lakhs and INR 17.16 Lakhs for the quarter ended 31 March 2022 and for the period from 1 April 2021 to 31 March 2022 respectively and cash outflow (Net) of INR 66.26 Lakhs, as considered in the Statement, which have been audited by the independent auditor. The independent auditors' reports on financial statements of the entity have been furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.
16. The Statement includes the unaudited Financial Results of IRIS Business Services LLC and Atanou S.R.L, whose financial information reflect Group's share of total assets of INR 309.72 Lakhs as at 31 March 2022, Group's share of total revenue of INR 134.21 lakhs and INR 330.99 lakhs and Group's share of total net profit after tax of INR 13.90 Lakhs and INR 14.61 Lakhs and total comprehensive income of INR 12.23 Lakhs and INR 11.15 Lakhs for the quarter ended 31 March 2022 and for the period from 1 April 2021 to 31 March 2022 respectively and cash inflow (Net) of INR 115.55 Lakhs, as considered in the Statement. This unaudited financial information has been furnished to us by the Board of Directors and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial information is not material to the Group.
17. Further, the Statement also includes the corresponding previous periods financial information of 4 subsidiaries, post giving effect to necessary adjustments upon first time adoption of Ind AS by the Parent, which have neither been audited nor been reviewed by their respective auditors but has been approved by the management of the subsidiaries.
18. Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Board of Directors.



KKC & Associates LLP

Chartered Accountants

(Formerly Khimji Kunverji & Co LLP)

19. The Statement includes the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For KKC & Associates LLP
Chartered Accountants
(Formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621



Hasmmukh B. Dedhia
Partner
ICAI Membership No: 033494



UDIN: 22033494AJSLEL8141

Place: Mumbai
Date: 27 May 2022

Statement of Audited Consolidated Financial Results for the Three Months and Year Ended 31 March 2022

(₹ in Lakhs)						
	Particulars	Three months ended			Yearly	
		31 March 2022 (Audited)	31 December 2021 (Unaudited)	31 March 2021 (Audited)	31 March 2022 (Audited)	31 March 2021 (Audited)
I	Revenue					
	Revenue from operations	1,786.61	1,662.56	1,739.53	6,127.23	5,714.96
	Other income	13.01	21.74	4.57	65.31	22.04
	Total income	1,799.62	1,684.30	1,744.10	6,192.54	5,737.00
II	Expenses					
	Employee benefits expense	900.25	935.71	843.04	3,476.91	3,099.35
	Finance costs	37.95	23.36	56.47	106.76	171.47
	Depreciation, amortization and impairment expense	129.64	122.63	159.03	523.15	627.28
	Other expenses	637.42	470.37	649.10	1,923.10	1,477.86
	Total expenses	1,705.26	1,552.07	1,707.64	6,029.92	5,375.96
III	Profit before tax	94.36	132.23	36.46	162.62	361.04
IV	Tax expense					
	Current Tax	11.50	-	-	11.50	-
	Tax Expense for earlier year	-	50.00	5.51	50.00	5.51
	Deferred tax	0.61	-	(58.34)	0.61	(58.34)
	Total tax expense	12.11	50.00	-52.83	62.11	-52.83
V	Profit for the period/ year	82.25	82.23	89.29	100.51	413.87
VI	Other comprehensive income					
(A)	(i) Items that will not be reclassified to statement of profit and loss	(101.62)	-	(19.70)	(101.62)	(19.70)
	(ii) Income tax on items that will not be reclassified to statement of profit and loss	26.42	-	-	26.42	-
(B)	(i) Items that will be reclassified subsequently to statement of profit and loss					
	(a) Fair Value Changes on Derivatives Designated as cash flow hedge	7.75	12.01	-	25.32	-
	(b) Exchange differences on translation of financial statements of foreign operations	(1.04)	(0.15)	(0.98)	(2.50)	1.79
	(ii) Income tax on items that will be reclassified to statement of profit and loss	-	-	-	-	-
	Total other comprehensive income (loss)	(68.49)	11.86	(20.68)	(52.38)	(17.91)
VII	Total comprehensive income for the period / year	13.76	94.09	68.61	48.13	395.96
	Profit (Loss) for the period attributable to:					
	Equity holders of the parent	82.40	81.56	86.89	99.80	413.52
	Non-controlling interests	(0.15)	0.67	2.40	0.71	0.35
	Other comprehensive income for the period attributable to:					
	Equity holders of the parent	(68.50)	11.85	(20.68)	(52.40)	(17.89)
	Non-controlling interests	0.01	0.01	(0.00)	0.02	(0.02)
	Total comprehensive income for the period attributable to:					
	Equity holders of the parent	13.90	93.41	66.21	47.40	395.63
	Non-controlling interests	(0.14)	0.68	2.40	0.73	0.33
	Paid up Equity Share Capital (Face value: ₹ 10 per share)	1,921.82	1,921.82	1,892.32	1,921.82	1,892.32
	Total Reserve	807.14	803.47	712.28	807.14	712.28
	Earnings per equity share of ₹ 10 each (^ - not annualised)					
	Basic (₹)	0.43^	0.42^	0.47^	0.52	2.19
	Diluted (₹)	0.43^	0.42^	0.47^	0.52	2.19



IRIS BUSINESS SERVICES LIMITED

Corporate Identity Number: L72900MH2000PLC128943

Registered Office: T-231 Tower 2 3rd Floor, International InfoTech Park, Vashi, Navi Mumbai-400703, Maharashtra, India.

Website: www.irisbusiness.com | Tel: +91 22 67301000 | Email: cs@irisbusiness.com

Consolidated Statement of Assets and Liabilities

(₹ in Lakhs)

	Particulars	As at 31 March 2022 (Audited)	As at 31 March 2021 (Audited)
I.	ASSETS		
	(1) Non-current assets		
	(a) Property, plant and equipment	79.65	29.27
	(b) Right-of-use assets	899.77	927.17
	(c) Other intangible assets	738.37	1,207.96
	(d) Intangible Assets under Development	38.65	-
	(e) Financial assets	-	-
	(i) Investments	-	-
	(ii) Others	-	-
	(ii) Other Financial Assets	68.10	31.02
	(f) Deferred tax assets (net)	-	-
	(g) Other assets	-	-
	(2) Current assets		
	(a) Financial assets		
	(i) Trade receivables	1,564.73	1,322.65
	(ii) Cash and cash equivalents	469.47	488.35
	(iii) Other bank balances	274.36	356.95
	(iv) Loans	2.87	0.75
	(v) Others	234.09	155.01
	(b) Current tax assets (net)	249.36	426.76
	(c) Other current assets	1,413.12	852.01
	TOTAL ASSETS	6,032.54	5,797.90
II.	EQUITY		
	(a) Equity share capital	1,921.82	1,892.32
	(b) Other equity	804.37	710.23
	(c) Non-Controlling Interest	2.78	2.05
	TOTAL EQUITY	2,728.97	2,604.60
III.	LIABILITIES		
	(1) Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	-	-
	(ii) Lease liabilities	5.10	13.55
	(iii) Others	-	-
	(b) Provisions	476.09	391.56
	(b) Deferred tax liabilities (net)	0.61	-
	(c) Other non-current liabilities	-	-
	(2) Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	648.57	602.10
	(ii) Lease liabilities	8.55	7.41
	(iii) Trade payables		
	1. Dues of micro enterprises and small enterprises	37.34	2.89
	2. Dues of creditors other than micro enterprises and small enterprises	163.87	222.09
	(iv) Other Financial Liabilities	772.73	647.20
	(b) Provisions	193.95	583.04
	(c) Current tax liabilities (net)	-	-
	(d) Other Liabilities	996.77	723.46
	TOTAL EQUITY AND LIABILITIES	6,032.54	5,797.90



IRIS BUSINESS SERVICES LIMITED

Corporate Identity Number: L72900MH2000PLC128943

Registered Office: T-231 Tower 2 3rd Floor, International InfoTech Park, Vashi, Navi Mumbai-400703, Maharashtra, India.

Website: www.irisbusiness.com | Tel: +91 22 67301000 | Email: cs@irisbusiness.com

IRIS Business Services Limited

Statement of cash flows for the year ended 31 March 2022

(₹ in Lakhs)

Particulars	Year ended	
	31-Mar-22	31-Mar-21
A. Cash Flows from Operating Activities		
Profit/(loss) for the year	100.51	413.88
Adjustments for:		
Depreciation and amortisation expense	523.15	627.28
Income Tax Expense	62.11	(52.83)
Loss / (profit) on sale / disposal of property, plant and equipment	(0.09)	-
Expense on Employee Stock Option Scheme	0.04	(3.64)
Provision for Warranty	-	-
Bad debts written off	2.54	2.33
Provision for doubtful trade receivables	26.56	31.57
Sundry Balance Written-Off	26.72	43.76
Sundry Creditors Balance W/back	-	(0.98)
Doubtful Debts Provision Reverse	(10.02)	(63.55)
Finance costs	106.76	171.47
Interest income	(28.41)	(11.69)
Effect of change in foreign currency translation reserve	(2.50)	1.79
Operating profit / (loss) before working capital changes	807.37	1,159.39
Changes in operating assets and liabilities		
(Increase) / decrease in trade receivables	(261.17)	420.21
(Increase) / decrease in loans	(2.12)	1.44
Increase / (decrease) in trade payables	(23.77)	(2.76)
(Increase) / decrease in other financial assets	(108.32)	(105.61)
(Increase) / decrease in other assets	(558.96)	(317.43)
Increase / (decrease) in provisions	(381.57)	65.52
Increase / (decrease) in other financial liabilities	125.52	(170.36)
Increase / (decrease) in other liabilities	273.34	216.50
Cash inflow / (outflow) from operating activity	(129.68)	1,266.90
Taxes paid	88.45	(88.53)
Net cash inflow / (outflow) from operating activities - Total (A)	(41.23)	1,178.37
B. Cash flows from investing activities		
Acquisition of property, plant and equipment, intangibles and capital work in progress	(115.47)	(69.86)
Sale of property, plant and equipment and capital work in progress	0.37	-
Bank deposits with original maturity of more than 3 months	82.59	(262.64)
Interest received	28.07	9.88
Net cash inflow / (outflow) from investing activities - Total (B)	(4.44)	(322.62)
C. Cash flows from financing activities		
Proceeds from issuance of equity share capital	29.50	4.40
Securities premium received on issue of shares	64.90	9.68
Repayment of Lease Liabilities	(7.31)	(6.46)
(Repayment) / proceeds from long term borrowings (net)	-	(289.07)
(Repayment) / proceeds from short term borrowings (net)	46.46	16.04
Interest paid on bank loans and others	(106.75)	(176.22)
Net cash inflow / (outflow) from financing activities - Total (C)	26.80	(441.63)
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	(18.88)	414.12
D. Cash and cash equivalents at the beginning of the year	488.35	74.23
E. Cash and cash equivalents at the end of the year	469.47	488.35



IRIS BUSINESS SERVICES LIMITED

Corporate Identity Number: L72900MH2000PLC128943

Registered Office: T-231 Tower 2 3rd Floor, International InfoTech Park, Vashi, Navi Mumbai-400703, Maharashtra, India.

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Consolidated Segment wise Results

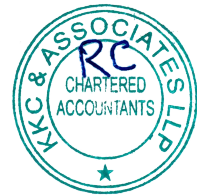
(₹ in Lakhs)

Particulars	Three months ended			Yearly	
	31 March 2022 (Audited)	31 December 2021 (Unaudited)	31 March 2021 (Audited)	31 March 2022 (Audited)	31 March 2021 (Audited)
1. Segment Revenue					
(a) Collect	647.45	574.85	895.19	2,310.92	2,629.01
(b) Create	1,061.52	1,010.34	759.29	3,508.40	2,788.78
(c) Consume	77.64	77.37	85.05	307.92	297.17
Less: Inter Segment Revenue					
Net sales/Income From Operations	1,786.61	1,662.56	1,739.53	6,127.24	5,714.96
2. Segment Results					
(a) Collect	5.53	23.89	222.62	167.82	631.67
(b) Create	234.31	230.82	16.40	527.74	467.87
(c) Consume	7.94	0.84	7.82	27.67	36.84
(d) Unallocated	13.01	21.74	4.57	65.31	22.04
Total	260.79	277.29	251.41	788.54	1,158.42
Less: i) Finance Costs	37.41	23.00	56.15	104.80	170.43
ii) Other Un-allocable Expenditure net off Un-allocable income	129.02	122.06	158.80	521.12	626.95
Total Profit Before Tax	94.36	132.23	36.46	162.62	361.04

Note:

Assets and liabilities used in the Company's business are not identifiable to any of the reportable segment, as these are used interchangeably between segments.

The management believes that it not practicable to provide segment disclosures relating to total assets and liabilities.



Notes:

- a. The above consolidated financial results for the quarter and year ended March 31st, 2022 were reviewed and recommended by the Audit committee of the Board and approved by the Board of directors at its meeting held on May 27th, 2022.

- b. The consolidated financial results include financial results of four subsidiaries:

Sr.No.	Name of the Companies	Relationship
1	IRIS Business Services (Asia) Pte. Ltd	Subsidiary
2	IRIS Business Services LLC	Subsidiary
3	Atanou S.r.l.	Subsidiary
4	IRIS Logix Solution Private Limited	Subsidiary

- c. Upon migration of the Company's listing status from Bombay Stock Exchange's SME Board to its Main board and on NSE with effect from November 08, 2021, the Company has adopted Indian Accounting Standards (Ind AS) effective April 01, 2021 with transition date as April 01, 2020 and accordingly, the above financial results have been prepared in accordance with the recognition and measurement principles under Ind AS prescribed under section 133 of the companies Act' 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

- d. Reconciliation of the net profit of the corresponding quarter ended and the year ended March 31, 2021, between previous Indian GAAP and Ind AS is given below:

(₹ in Lakhs)			
Sr. No.	Particulars	Quarter ended 31.03.2021 (Unaudited)	Year ended 31.03.2021 (Audited)
	Net Profit for the period under Previous Indian GAAP	80.14	272.08
(a)	On account of recognition of revenue from operations as per Ind AS	(57.22)	84.18
(b)	On account of ECL provision /reversal	48.10	51.27
(c)	Others	18.27	6.34
	Net Profit for the period under Ind AS	89.29	413.87

- e. Reconciliation of equity as reported under previous GAAP and IndAS is summarised as below

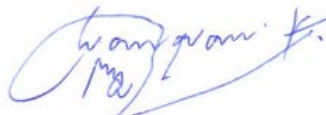
(₹ in Lakhs)	
Particulars	As at Mar 21
Equity as reported under IGAAP	2748.73
Impact on revenue from operations	(159.26)
Impact due to ECL (creation)/reversal on debtors	16.09
Impact on others items	(0.96)
Equity as reported under IND AS	2604.60

- f. Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance on three business segments namely 'Collect', 'Create' and 'Consume'.



- g. While the expectation is that the world, in the medium term, should gradually come out of the economic slowdown caused by the COVID 19 pandemic, the business environment still faces some degree of uncertainty. The Company management believes that it has taken into account the external and internal information for assessing the impact of the COVID-19 pandemic on the various elements of its financial results, including its liquidity position and the recoverability of assets. However, the impact assessment of COVID-19 is a continuing process, given the various unknowns associated with its nature and duration. The eventual outcome of impact of the global pandemic may be different from those estimated as on date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.
- h. The Board of Directors of the Company, at its meeting held on January 29, 2022, has agreed to raise funds up to Rs 3200 lakhs by way of offer and issue of equity shares to the existing shareholders of the Company on a rights basis (Rights Issue). Towards this, the Board has constituted a Rights Issue Committee of Directors and has authorised the Committee to determine the terms of the Rights Issue including the quantum of issue, rights entitlement ratio, issue price, issue size, book closure or record date, entitlement timing of the issue, etc., in consultation with the Lead Manager.
- i. With regards to our investment in subsidiaries in USA “IRIS Business Services LLC” & Italy “Atanou S.R.L.”, as at 31st March 2022, the total liabilities exceeded its total assets by INR 124.26 lakhs and INR 5.18 lakhs respectively. The parent company is committed to provide necessary financial support as and when necessary. Considering the future prospect of these subsidiaries and continued support of Parent, the investment in the subsidiaries is measured at cost.
- j. In the light of the future prospect of the subsidiary and committed continued support of Parent, financial statements of the subsidiary mentioned in point (i) have been prepared on a going concern basis and the same is considered for preparation of consolidated financial statements
- k. Figures for the quarter ended 31st March, 2022 and 31st March 2021 are the balancing figure between audited figures in respect of respective full financial years and published year to date figures up to the third quarter of the respective financial years which were subjected to limited review.
- l. Corresponding previous period figures have been regrouped and reclassified wherever necessary.

For IRIS Business Services Limited



K Balachandran
Whole Time Director & CFO
DIN: 00080055
Date: 27 May 2022



Independent auditor's report

To
The Board of Directors of
IRIS Business Services Limited

Report on the audit of the Standalone Financial Results

Opinion

1. We have audited the accompanying statement of Standalone Financial Results of IRIS Business Services Limited (the "Company") for the quarter ended 31 March 2022 and the year to date results for the period from 1 April 2021 to 31 March 2022 (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:
 - 2.1. are presented in accordance with the requirements of the Listing Regulations in this regard; and
 - 2.2. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards ("Ind AS") and other accounting principles generally accepted in India, of the net profit and loss and other comprehensive income and other financial information for the quarter ended 31 March 2022 and the year to date results for the period from 1 April 2021 to 31 March 2022.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SA") specified under section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. Attention is drawn to Note No. (i) of the Statement regarding investment in subsidiaries i.e., IRIS Business Services LLC and Atanou S.R.L are carried at cost despite the liabilities thereof exceeding the total assets, having regard to business plans of these subsidiaries, and continued financial support from the Company.
5. Attention is drawn to Note No. (f) of the Statement which describes the impact of COVID-19 pandemic on the audited standalone financial results as also on business operations of the Company, assessment thereof by the management of the Company based on its internal, external, and macro factors, involving certain estimation uncertainties.
6. Attention is drawn to Note No. (b) of the Statement which describes that the figures for the corresponding quarter and period ended 31 March 2021, including the reconciliation of net profit for the said periods with net profit reported under the previous GAAP, worked out with necessary due diligence by the management of the Company and have been approved by the Company's Board of Directors.

Our opinion is not modified in respect of these matters.

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Suite 52, Bombay Mutual Building, Sir Phirozshah Mehta Road, Fort, Mumbai - 400001, India
LLPIN- AAP-2267



Management's responsibilities for the Standalone Financial Results

7. The Statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. 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 the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

10. Our objectives are to obtain reasonable assurance about whether the Statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - 11.1. Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - 11.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
 - 11.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- 11.4. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 11.5. Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matters

14. The Statement includes the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For KKC & Associates LLP
Chartered Accountants
(Formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621



Hasmukh B. Dedhia
Partner
ICAI Membership No: 033494



UDIN: 22033494AJSLBT4776

Place: Mumbai
Date: 27 May 2022

IRIS BUSINESS SERVICES LIMITED

Corporate Identity Number: L72900MH2000PLC128943

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Statement of audited Standalone Financial Results for the Three Months and Year Ended 31 March 2022

(₹ in Lakhs)

Particulars		Three months ended			Yearly	
		31 March 2022 (Audited)	31 December 2021 (Unaudited)	31 March 2021 (Audited)	31 March 2022 (Audited)	31 March 2021 (Audited)
I	Revenue					
	Revenue from operations	1,630.91	1,505.36	1,635.26	5,615.19	5,393.76
	Other income	12.83	21.74	4.57	65.13	22.04
	Total income	1,643.74	1,527.10	1,639.83	5,680.32	5,415.80
II	Expenses					
	Employee benefits expense	853.52	890.54	806.94	3,298.34	2,893.64
	Finance costs	37.41	23.00	56.15	104.80	170.43
	Depreciation, amortization and impairment expense	129.02	122.06	158.80	521.12	626.95
	Other expenses	547.45	390.88	590.19	1,627.49	1,302.46
	Total expenses	1,567.40	1,426.48	1,612.08	5,551.75	4,993.48
III	Profit before tax	76.34	100.62	27.75	128.57	422.32
IV	Tax expense					
	Current Tax	11.00	-	-	11.00	-
	Tax Expense for earlier year	-	50.00	5.51	50.00	5.51
	Deferred tax	-	-	(58.34)	-	(58.34)
	Total tax expense	11.00	50.00	(52.83)	61.00	(52.83)
V	Profit for the period/ year	65.34	50.62	80.58	67.57	475.15
VI	Other comprehensive income					
(A)	(i) Items that will not be reclassified to statement of profit and loss	(101.62)	-	(19.70)	(101.62)	(19.70)
	(ii) Income tax on items that will not be reclassified to statement of profit and loss	26.42	-	-	26.42	-
(B)	(i) Items that will be reclassified subsequently to statement of profit and loss					
	(a) Fair Value Changes on Derivatives Designated as cash flow hedge	7.75	12.02	-	25.32	-
	(ii) Income tax on items that will be reclassified to statement of profit and loss	-	-	-	-	-
	Total other comprehensive income (loss)	(67.45)	12.02	(19.70)	(49.88)	(19.70)
VII	Total comprehensive income for the period / year	(2.11)	62.64	60.88	17.69	455.45
	Paid up equity share capital (Face value: ₹ 10 per share)	1,921.82	1,921.82	1,892.32	1,921.82	1,892.32
	Total reserves	1,157.21	1,169.41	1,092.79	1,157.21	1,092.79
	Earnings per equity share of ₹ 10 each (^ - not annualised)					
	Basic (₹)	0.34^	0.26^	0.43^	0.35	2.52
	Diluted (₹)	0.34^	0.26^	0.43^	0.35	2.52



IRIS BUSINESS SERVICES LIMITED

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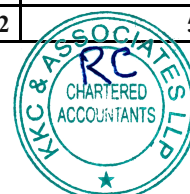
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Standalone Statement of Assets and Liabilities

(₹ in Lakhs)

Particulars		As at 31 March 2022 (Audited)	As at 31 March 2021 (Audited)
I.	ASSETS		
	(1) Non-current assets		
	(a) Property, plant and equipment	77.13	28.68
	(b) Right-of-use assets	899.77	927.17
	(c) Other intangible assets	733.13	1,201.38
	(d) Intangible Assets under Development	38.65	-
	(e) Financial assets		
	(i) Investments	270.85	270.85
	(ii) Other financial assets	67.07	31.02
	(f) Deferred tax assets (net)	-	-
	(g) Other assets	-	-
	(2) Current assets		
	(a) Financial assets		
	(i) Trade receivables	1,484.63	1,313.78
	(ii) Cash and cash equivalents	276.30	331.70
	(iii) Bank Balances other than Cash and Cash Equivalents above	264.36	356.95
	(iv) Loans	2.87	0.75
	(v) Other financial assets	217.04	171.13
	(b) Current tax assets (net)	249.31	425.65
	(c) Other assets	1,370.91	794.30
	TOTAL ASSETS	5,952.02	5,853.36
II.	EQUITY		
	(a) Equity share capital	1,921.82	1,892.32
	(b) Other equity	1,157.21	1,092.79
	TOTAL EQUITY	3,079.03	2,985.11
III.	LIABILITIES		
	(1) Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	-	-
	(ii) Lease liabilities	5.10	13.55
	(iii) Other financial liabilities	-	-
	(b) Provisions	476.09	391.56
	(c) Deferred tax liabilities (net)	-	-
	(d) Other liabilities	-	-
	(2) Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	648.57	602.10
	(ii) Lease liabilities	8.55	7.41
	(iii) Trade payables		
	a. Dues of micro enterprises and small enterprises	33.92	2.89
	b. Dues of creditors other than micro enterprises and small enterprises	123.62	116.77
	(iv) Other financial liabilities	543.66	450.33
	(b) Provisions	193.94	583.04
	(c) Current tax liabilities (net)	-	-
	(d) Other liabilities	839.54	700.60
	TOTAL EQUITY AND LIABILITIES	5,952.02	5,853.36



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Standalone Statement of cash flows for the year ended 31 March 2022

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2022	31 March 2021
A. Cash Flows from Operating Activities		
Profit/(loss) for the year	67.57	475.15
Adjustments for:		
Depreciation and amortisation expense	521.12	626.95
Income Tax Expense	61.00	(52.83)
Loss / (profit) on sale / disposal of property, plant and equipment	(0.09)	-
Expense on Employee Stock Option Scheme	0.04	(3.64)
Provision for Warranty	-	-
Bad debts written off	2.54	2.33
Provision for doubtful trade receivables	26.56	31.57
Sundry Balance Written-Off	26.72	43.76
Sundry Creditors Balance W/back	-	(0.98)
Doubtful Debts Provision Reverse	(10.97)	(63.55)
Finance costs	104.80	170.43
Interest income	(28.29)	(11.69)
Operating profit / (loss) before working capital changes	771.00	1,217.50
Changes in operating assets and liabilities		
(Increase) / decrease in trade receivables	(188.99)	322.31
(Increase) / decrease in loans	(2.12)	1.44
Increase / (decrease) in trade payables	37.88	(85.24)
(Increase) / decrease in other financial assets	(74.12)	(30.65)
(Increase) / decrease in other assets	(576.37)	(296.47)
Increase / (decrease) in provisions	(379.76)	65.52
Increase / (decrease) in other financial liabilities	93.33	(255.00)
Increase / (decrease) in other liabilities	138.95	199.77
Cash inflow / (outflow) from operating activity	(180.20)	1,139.18
Taxes paid	87.89	(88.53)
Net cash inflow / (outflow) from operating activities - Total (A)	(92.31)	1,050.65
B. Cash flows from investing activities		
Acquisition of property, plant and equipment, intangibles and capital work in progress	(112.86)	(62.36)
Sale of property, plant and equipment and capital work in progress	0.37	-
Bank deposits with original maturity of more than 3 months	92.59	(262.64)
Interest received	28.06	9.88
Net cash inflow / (outflow) from investing activities - Total (B)	8.16	(315.12)
C. Cash flows from financing activities		
Proceeds from issuance of equity share capital	29.50	4.40
Securities premium received on issue of shares	64.90	9.68
Repayment of Lease Liabilities	(7.31)	(6.46)
(Repayment) / proceeds from long term borrowings (net)	-	(289.07)
(Repayment) / proceeds from short term borrowings (net)	46.46	16.04
Interest paid on bank loans and others	(104.80)	(175.17)
Net cash inflow / (outflow) from financing activities - Total (C)	28.75	(440.58)
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	(55.40)	294.95
D. Cash and cash equivalents at the beginning of the year	331.70	36.75
E. Cash and cash equivalents at the end of the year	276.30	331.70



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Standalone Segment wise Results

(₹ in Lakhs)

Particulars	Three months ended			Year ended	
	31 March 2022 (Audited)	31 December 2021 (Unaudited)	31 March 2021 (Audited)	31 March 2022 (Audited)	31 March 2021 (Audited)
1. Segment Revenue					
(a) Collect	595.41	521.54	822.41	2,109.10	2,408.51
(b) Create	957.86	906.45	727.81	3,198.17	2,688.08
(c) Consume	77.64	77.37	85.05	307.92	297.17
Less: Inter Segment Revenue	-	-	-	-	-
Net sales/Income From Operations	1,630.91	1,505.36	1,635.27	5,615.19	5,393.76
2. Segment Results					
(a) Collect	1.72	18.67	198.43	151.64	607.92
(b) Create	220.27	204.43	31.89	510.05	552.90
(c) Consume	7.94	0.84	7.82	27.67	36.84
(d) Unallocated	12.84	21.74	4.56	65.13	22.04
Total	242.77	245.68	242.70	754.49	1,219.70
Less: i) Finance Costs	37.41	23.00	56.15	104.80	170.43
ii) Other Un-allocable Expenditure net off Un-allocable income	129.02	122.06	158.80	521.12	626.95
Total Profit Before Tax	76.34	100.62	27.75	128.57	422.32

Note:

Assets and liabilities used in the Company's business are not identifiable to any of the reportable segment, as these are used interchangeably between segments. The management believes that it not practicable to provide segment disclosures relating to total assets and liabilities.



Notes:

- a. The above standalone financial results for the quarter and year ended March 31st, 2022 were reviewed and recommended by the Audit committee of the Board and approved by the Board of directors at its meeting held on May 27th, 2022.
- b. Upon migration of the Company's listing status from Bombay Stock Exchange's SME Board to its Main board and on NSE with effect from November 08, 2021, the Company has adopted Indian Accounting Standards (Ind AS) effective April 01, 2021 with transition date as April 01, 2020 and accordingly, the above financial results have been prepared in accordance with the recognition and measurement principles under Ind AS prescribed under section 133 of the companies Act' 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- c. Reconciliation of the net profit of the corresponding quarter ended and the year ended March 31, 2021, between previous Indian GAAP and Ind AS is given below:

(₹ in Lakhs)

Sr. No.	Particulars	Quarter ended 31.03.2021 (Unaudited)	Year ended 31.03.2021 (Audited)
	Net Profit for the period under Previous Indian GAAP	76.42	322.55
(a)	On account of recognition of revenue from operations as per Ind AS	(62.22)	84.97
(b)	On account of ECL provision /reversal	48.10	51.97
(c)	Others	18.29	6.35
	Net Profit for the period under Ind AS	80.58	475.15

- d. Reconciliation of equity as reported under previous GAAP and IndAS is summarised as below:

(₹ in Lakhs)

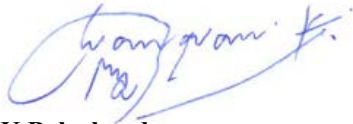
Particulars	As at Mar 21
Equity as reported under IGAAP	3,118.90
Impact on revenue from operations	(149.25)
Impact due to ECL (creation)/reversal on debtors	16.09
Impact on others items	(0.63)
Equity as reported under IND AS	2,985 .11

- e. Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance on three business segments namely 'Collect', 'Create' and 'Consume'.
- f. While the expectation is that the world, in the medium term, should gradually come out of the economic slowdown caused by the COVID 19 pandemic, the business environment still faces some degree of uncertainty. The Company management believes that it has taken into account the external and internal information for assessing the impact of the COVID-19 pandemic on the various elements of its financial results, including its liquidity position and the recoverability of assets. However, the impact assessment of COVID-19 is a continuing process, given the various unknowns associated with its nature and duration. The eventual outcome of impact of the global pandemic may be different from those estimated as on date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.
- g. The Government of India had enacted The Code on Wages 2019, The Industrial Relations Code 2020, The Occupational Safety, Health & Working Conditions Code 2020 and The Social Security Code 2020, subsuming various existing labour and industrial laws, but the effective date is yet to be notified. The Impact of the legislative changes If any will be assessed and recognised post notification of relevant provisions.



- h. The Board of Directors of the Company, at its meeting held on January 29, 2022, has agreed to raise funds up to Rs 3200 lakhs by way of offer and issue of equity shares to the existing shareholders of the Company on a rights basis (Rights Issue). Towards this, the Board has constituted a Rights Issue Committee of Directors and has authorised the Committee to determine the terms of the Rights Issue including the quantum of issue, rights entitlement ratio, issue price, issue size, book closure or record date, entitlement timing of the issue, etc., in consultation with the Lead Manager.
- i. With regards to our investment in subsidiaries in USA “IRIS Business Services LLC” & Italy “Atanou S.R.L.”, as at 31st March 2022, the total liabilities exceeded its total assets by INR 124.26 lakhs and INR 5.18 lakhs respectively. The parent company is committed to provide necessary financial support as and when necessary. Considering the future prospect of these subsidiaries and continued support of Parent, the investment in the subsidiaries is measured at cost.
- j. Figures for the quarter ended 31st March, 2022 and 31st March 2021 are the balancing figure between audited figures in respect of respective full financial years and published year to date figures up to the third quarter of the respective financial years which were subjected to limited review.
- k. Corresponding previous period figures have been regrouped and reclassified wherever necessary.

For IRIS Business Services Limited



K Balachandran
Whole Time Director & CFO
DIN: 00080055
Date: May 27, 2022



Independent Auditors' Report

To the Board of Directors of
IRIS Business Services Limited

Report on the Audit of the Standalone Financial Results

Opinion

1. We have audited the accompanying Standalone Financial Results of **IRIS Business Services Limited** ('the Company') for the year ended March 31, 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, and other accounting principles generally accepted in India, of the net profit and other financial information for the year ended March 31, 2021.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Results.

Emphasis of Matter

3. Attention is invited to Note No. 6 to the Standalone Financials Results regarding investment in a subsidiary IRIS Business Services LLC carried at cost despite the liabilities thereof exceeding the total assets, having regard to business plans of that subsidiary and continued financial support from the Company. Our report is not modified in respect of this matter.



4. Attention is invited to Note No. 9 to the Standalone Financial Results regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management on its operations and financial reporting for the year ended March 31, 2021; such an assessment, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Our report is not modified in respect of this matter.

Management and Board of Directors' Responsibilities for the Standalone Financial Results

5. The Standalone Financial Results have been prepared on the basis of the Standalone Financial Statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of the Standalone Financial Results that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management and the Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

6. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Standalone Financial Results. Our audit process in accordance with the SAs is narrated in Annexure 1 to this report.



Other Matter

7. In view of restricted movements and partial lockdown imposed by the Authorities to prevent the spread of COVID-19 Pandemic, the processes of audit finalisation were carried out from remote locations i.e., other than the Office of the Company, where books of accounts and other records are kept, based on the data/details made available and based on financial information/records remitted by the management through digital medium. Being constrained, we resorted to and relied upon the results of the related alternate audit procedures to obtain sufficient and appropriate audit evidence for the significant matters in course of our audit. Our report is not modified in respect of this matter.
8. The comparative financial results of the company for the year ended March 31, 2020 included in the Standalone Financial Results had been audited by the erstwhile auditors, who had expressed an unmodified opinion thereon as per their reports dated June 29, 2020, have been relied upon by us for the purpose of our audit of the Standalone Financial Results. Our opinion is not modified in respect of this matter.
9. The Standalone Financial Results include the results for the half year ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited figures of half year ended September 30, 2020 which were subjected to limited review by us.

For **Khimji Kunverji & Co LLP**
Chartered Accountants
(FRN: 105146W / W100621)



Hasmukh B. Dedhia
Partner
Membership Number: 033494



ICAI UDIN: 21033494AAAAGX8261

Place: Mumbai
Date: May 22, 2021

Annexure 1 to the Independent Auditors' Report to the members of IRIS Business Services Limited

[referred to in para 6 titled 'Auditor's Responsibilities for the Audit of the Standalone Financial Results']

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

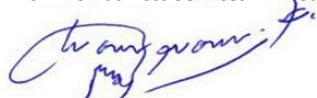


Standalone Financial Results for the Half year and Year ended March 31, 2021

Rupees in Lakhs

Particulars	Half Year Ended 31-Mar-2021 (Refer Note 2)	Half Year Ended 30-Sep-2020 (Unaudited)	Half Year Ended 31-Mar-2020 (Refer Note 2)	Year ended 31 March, 2021 (Audited)	Year ended 31 March, 2020 (Audited)
I. Revenue from operations	3,179.56	2,129.22	2,738.68	5,308.78	4,888.23
II. Other income	8.89	18.93	39.68	27.82	55.96
III. Total Revenue (I + II)	3,188.45	2,148.15	2,778.36	5,336.60	4,944.19
IV. Expenses:					
Employee benefits expense	1,565.96	1,347.38	1,403.65	2,913.34	2,625.39
Finance costs	93.88	74.19	74.12	168.07	154.21
Depreciation and amortization expense	316.67	306.63	308.11	623.30	616.46
Other expenses	856.09	496.08	787.24	1,352.17	1,389.13
Total expenses	2,832.60	2,224.28	2,573.13	5,056.88	4,785.20
V. Profit before exceptional and extraordinary items and tax (III - IV)	355.85	(76.13)	205.23	279.72	158.99
VI. Exceptional expenses / (incomes)	-	-	-	-	-
VII. Profit before extraordinary items and tax (V - VI)	355.85	(76.13)	205.23	279.72	158.99
VIII. Extraordinary Items	-	-	-	-	-
IX. Profit before tax (VII- VIII)	355.85	(76.13)	205.23	279.72	158.99
X Tax expense:					
(1) Current tax	-	-	-	-	-
(2) Deferred tax	(58.34)	-	(5.26)	(58.34)	4.32
(3) Tax expense / (income) for earlier years	5.51	-	3.82	5.51	3.82
XI Profit (Loss) for the period from continuing operations (IX-X)	408.68	(76.13)	206.67	332.55	150.85
XII Profit/(loss) from discontinuing operations	-	-	-	-	-
XIII Tax expense of discontinuing operations	-	-	-	-	-
Profit/(loss) from Discontinuing operations (after tax) (XII- XIII)	-	-	-	-	-
XIV Profit (Loss) for the period (XI + XIV)	408.68	(76.13)	206.67	332.55	150.85
XVI Earnings per equity share of ₹ 10 each (^ - not annualised)					
(1) Basic	2.16^	(0.40)^	1.09^	1.76	0.80
(2) Diluted	2.16^	(0.40)^	1.09^	1.76	0.80

For IRIS Business Services Limited.



K Balachandran

Whole Time Director & CFO

DIN: 00080055

Date : May 22, 2021

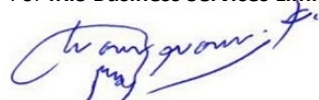


Standalone Statement of Assets And Liabilities

Rupees in Lakhs

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
I. EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	1,892.32	1,887.92
(b) Reserves and surplus	1,226.58	887.99
2 Share application money pending allotment	-	-
3 Non-current liabilities		
(a) Long-term borrowings	13.55	289.07
(b) Deferred tax liabilities (Net)	-	58.34
(c) Long-term provisions	391.56	304.81
4 Current liabilities		
(a) Short-term borrowings	602.10	586.07
(b) Trade payables		
i) total outstanding dues of micro enterprises and small enterprises; and	2.89	26.66
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	116.77	179.21
(c) Other current liabilities	903.75	1,094.44
(d) Short-term provisions	590.35	584.57
Total	5,739.87	5,899.07
II. ASSETS		
Non-current assets		
1 (a) Property, Plant and Equipment		
(i) Tangible assets	955.85	962.29
(ii) Intangible assets	1,201.38	1,699.16
(iii) Capital work-in-progress	-	-
(iv) Intangible assets under development	-	32.95
(b) Non-current investments	270.85	270.85
(c) Long-term loans and advances	31.02	33.03
(d) Other non-current assets	-	-
2 Current assets		
(a) Trade receivables	1,297.69	1,641.61
(b) Cash and cash equivalents	688.65	131.06
(c) Short-term loans and advances	40.05	89.00
(d) Other current assets	1,254.39	1,039.13
Total	5,739.87	5,899.07

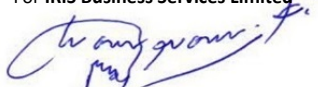
For IRIS Business Services Limited


K Balachandran
 Whole Time Director & CFO
 DIN: 00080055
 Date : May 22, 2021



Standalone Cash Flow Statement for the year ended March 31, 2021		
	Rupees in Lakhs	
	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	279.72	158.99
Adjustments for :		
Depreciation and amortisation	623.30	616.46
Write-off of withholding tax	41.82	62.30
Expense on employee stock option scheme	(7.02)	0.91
Interest expenses	129.38	134.71
Other finance charges	38.51	-
Interest income	(20.26)	(13.19)
Total	805.74	801.21
Operating Cash Profit before Working Capital Changes	1,085.46	960.20
(Increase) / Decrease in Sundry debtors	343.92	(454.75)
(Increase) / Decrease in Short term Loans & advances and deposits	(213.69)	250.40
(Increase) / Decrease in Other current assets	(172.25)	(337.77)
(Increase) / Decrease in Long term loans and advances	2.01	(28.28)
(Increase) / Decrease in Other non-current assets	-	9.87
(Decrease) / Increase in Trade payables	(86.21)	(91.74)
(Decrease) / Increase in Other current liabilities	34.48	23.52
(Decrease) / Increase in Long term Provisions	86.74	109.18
(Decrease) / Increase in Short term Provisions	5.79	(0.61)
Total	0.80	(520.19)
Taxes Paid	(88.53)	(191.94)
Net Cash Inflow / (Outflow) in course of Operating activities (A)	997.73	248.07
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipments (including capital advances)	(10.95)	(21.13)
In-house software products capitalisation	(51.41)	(32.95)
Interest Income Received	18.45	13.36
Investments in Subsidiaries	-	(93.39)
Net Cash Inflow / (Outflow) in the course of Investing Activities (B)	(43.91)	(134.12)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital on account of issue of shares under ESOP	17.46	-
Proceeds / (Repayments) of Short Term Borrowing	16.04	(8.28)
Other Finance Charges	(38.51)	-
Repayment of Finance Lease Obligations	(2.81)	-
Repayment of Long Term Borrowings	(516.93)	(170.89)
Interest paid on Term Loans, Working Capital Loan and Finance Lease	(134.12)	(129.98)
Net cash flow used in financing activities (C)	(658.87)	(309.15)
Net increase / (decrease) in Cash and cash equivalents (A + B + C)	294.95	(195.20)
Add: Balance of Cash/Cash Equivalents at the beginning of the year	36.75	231.95
Cash/Cash Equivalents at the close of the year	331.70	36.75
Cash and bank balance at the end of the year	688.65	131.06
Less: Term Deposits not considered as cash & cash equivalents as per AS-3	(356.95)	(94.31)
	331.70	36.75

For IRIS Business Services Limited



K Balachandran

Whole Time Director & CFO

DIN: 00080055

Date : May 22, 2021

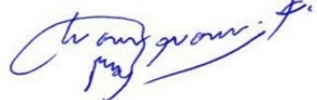


Standalone Segment wise Revenue, Results and Assets and Liabilities

(Rs In Lakhs)

Particulars	Half Year Ended 31-Mar-2021 (Refer Note 2)	Half Year Ended 30-Sep-2020 (Unaudited)	Half Year Ended 31-Mar-2020 (Refer Note 2)	Year Ended 31-Mar-2021 (Audited)	Year Ended 31-Mar-2020 (Audited)
1. Segment Revenue					
(a) Segment – Collect	1,266.62	906.57	1,596.06	2,173.19	2,791.00
(b) Segment – Create	1,747.27	1,091.15	976.54	2,838.42	1,790.08
(c) Segment – Consume	165.67	131.50	166.08	297.17	307.15
Less: Inter Segment Revenue	-	-	-	-	-
Net sales/Income From Operations	3,179.56	2,129.22	2,738.68	5,308.78	4,888.23
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)					
(a) Segment – Collect	242.92	103.36	577.84	346.29	944.94
(b) Segment – Create	490.12	175.46	(31.24)	665.58	(34.45)
(c) Segment – Consume	24.46	6.94	1.19	31.41	(36.79)
(d) Unallocated	8.89	18.93	39.68	27.82	55.96
Total	766.40	304.69	587.46	1,071.09	929.67
Less: i) Interest	93.88	74.19	74.12	168.07	154.21
ii) Other Un-allocable Expenditure net off Un-allocable income	316.67	306.63	308.11	623.30	616.46
Total Profit Before Tax	355.85	(76.13)	205.23	279.72	158.99
3. Segment Assets					
(a) Segment – Collect	615.92	735.65	1,124.90	615.92	1,124.90
(b) Segment – Create	886.29	927.90	850.69	886.29	850.69
(c) Segment – Consume	1,017.94	1,216.66	1,394.37	1,017.94	1,394.37
(d) Unallocated	3,219.72	3,018.61	2,529.11	3,219.72	2,529.11
Total assets	5,739.87	5,898.83	5,899.07	5,739.87	5,899.07
4. Segment Liabilities					
(a) Segment – Collect	61.77	44.42	66.40	61.77	66.40
(b) Segment – Create	27.49	16.69	46.19	27.49	46.19
(c) Segment – Consume	-	0.05	24.18	-	24.18
(d) Unallocated	2,531.71	3,137.89	2,986.40	2,531.71	2,986.40
Total liabilities	2,620.97	3,199.06	3,123.17	2,620.97	3,123.17
Capital Employed	3,118.90	2,699.77	2,775.90	3,118.90	2,775.90

For IRIS Business Services Limited



K Balachandran

Whole Time Director & CFO

DIN: 00080055

Date : May 22, 2021



Independent Auditors' Report

To the Board of Directors of
IRIS Business Services Limited

Report on the Audit of the Consolidated Financial Results

Opinion

1. We have audited the accompanying Consolidated Financial Results of IRIS Business Services Limited ('the Holding Company') and its subsidiaries (The holding company and its subsidiaries collectively referred to as the 'Group'), for the year ended March 31, 2021, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate Audited Financial Statements of the subsidiary, the aforesaid Consolidated Financial Results:

- a. includes the results of following entities/companies:

Sr. No	Name of the Companies	Relationship
1	IRIS Business Services (Asia) Pte. Ltd	Subsidiary
2	IRIS Business Services LLC	Subsidiary
3	Atanou S.r.l.	Subsidiary
4	IRIS Logix Solution Private Limited	Subsidiary

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards, and other accounting principles generally accepted in India, of the consolidated net profit and other financial information of the group for the year ended March 31, 2021.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, and the Rules



thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit report of the other auditor referred to in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Going Concern

3. Attention is invited to Note No. 6 and 8 to the Consolidated Financial Results where it is mentioned that financial statements of a subsidiary IRIS Business Services LLC are prepared on going concern basis despite the liabilities thereof exceeding the total assets, having regard to business plans of that subsidiary, and continued financial support from the Holding Company. Our report is not modified in respect of this matter.

Emphasis of Matter

4. Attention is invited to Note No. 9 to the Consolidated Financial Results regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management on its operations and financial reporting for the year ended March 31, 2021; such an assessment, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Our report is not modified in respect of this matter.

Management and Board of Directors' Responsibilities for the Consolidated Financial Results

5. These Consolidated Financial Results have been prepared on the basis of the Consolidated Financial Statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the consolidated net profit and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.



The respective Management and the Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

6. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Results. Our audit process in accordance with the SAs is narrated in Annexure 1 to this report.

Other Matter

7. In view of restricted movements and partial lockdown imposed by the Authorities to prevent the spread of COVID-19 Pandemic, the processes of audit finalisation were carried out from remote locations i.e., other than the Office of the Holding Company, where books of accounts and other records are kept, based on the data/details made available and based on financial information/records remitted by the management through digital medium. Being constrained, we resorted to and relied upon the results of the related alternate audit procedures to obtain sufficient and appropriate audit evidence for the significant matters in course of our audit. Our report is not modified in respect of this matter.
8. We did not audit the financial results of one foreign subsidiary, whose financial results reflect total assets of Rs. 184.20 Lakhs as at March 31, 2021, total revenues of Rs. 221.51 Lakhs and Rs. 333.59 Lakhs and total net profit of Rs. 16.54 Lakhs and Rs. 23.76 Lakhs and total cash inflow of Rs. 70.14 Lakhs and Rs. 66.99 Lakhs for the half year ended March 31, 2021 and year ended March 31, 2021 respectively, as considered in the Consolidated Financial Results. The said financial results have been audited by other auditor, whose report have been furnished to us by the Management and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary is based solely on the report of such other auditor. Our report is not modified in respect of this matter.
9. We did not audit the financial results of two foreign subsidiaries, whose financial results reflect total assets of Rs. 98.55 Lakhs as at March 31, 2021, total revenue of Rs. 54.88 Lakhs and Rs 103.12 Lakhs, total net loss of Rs. 35.09 Lakhs and 82.76 Lakhs and total cash inflow of Rs. 15.86 Lakhs and Rs. 47.33 Lakhs for the half year ended March 31, 2021 and for the year ended March 31, 2021, respectively, as considered in the Consolidated Financial Results. These financial results are unaudited and have been furnished to us, as certified by the respective management of the said subsidiaries and our opinion on the Consolidated Financial Results, in so far it relates to the amounts and disclosure included in respect of these subsidiaries is based solely on such unaudited, management certified financial results. In our opinion and accordingly to the information and explanation given to us by the Board of Directors of the Holding Company, these financial results are not material to the Group. Our opinion in not modified in respect of this matter.
10. The comparative financial results of the company for the year ended March 31, 2020 included in the Consolidated Financial Results had been audited by the erstwhile auditors, who had expressed an



unmodified opinion thereon as per their reports dated June 29, 2020, have been relied upon by us for the purpose of our audit of the Consolidated Financial Results. Our opinion is not modified in respect of this matter.

11. The Consolidated Financial Results include the results for the half year ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited figures of half year ended September 30, 2020 which were subject to limited review by us.

For **Khimji Kunverji & Co LLP**

Chartered Accountants

(FRN: 105146W / W100621)



Hasmukh B. Dedhia

Partner

Membership Number: 033494



ICAI UDIN: 21033494AAAAGY7201

Place: Mumbai

Date: May 22, 2021

Annexure 1 to the Independent Auditors' Report to the members of IRIS Business Services Limited

[referred to in para 6 titled 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results']

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

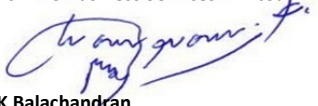


Consolidated Financial Results for the Half year and Year ended March 31, 2021

Rupees in Lakhs

Particulars	Half Year Ended 31-Mar-2021 (Refer Note 2)	Half Year Ended 30-Sep-2020 (Unaudited)	Half Year Ended 31-Mar-2020 (Refer Note 2)	Year ended 31 March, 2021 (Audited)	Year ended 31 March, 2020 (Audited)
I. Revenue from operations	3,361.55	2,269.24	2,880.08	5,630.79	5,099.77
II. Other income	8.77	19.92	41.49	28.69	57.61
III. Total Revenue (I + II)	3,370.32	2,289.16	2,921.57	5,659.48	5,157.38
IV. Expenses:					
Employee benefits expense	1,660.45	1,460.45	1,510.68	3,120.90	2,837.71
Finance costs	94.24	74.87	74.55	169.11	155.12
Depreciation and amortization expense	316.96	306.67	308.11	623.63	616.46
Other expenses	954.83	571.76	880.24	1,526.59	1,493.75
Total expenses	3,026.48	2,413.75	2,773.58	5,440.23	5,103.03
V. Profit before exceptional and extraordinary items and tax (III - IV)	343.84	(124.59)	147.99	219.25	54.35
VI. Exceptional Items	-	-	-	-	-
VII. Profit before extraordinary items and tax (V - VI)	343.84	(124.59)	147.99	219.25	54.35
VIII. Extraordinary Items	-	-	-	-	-
IX. Profit before tax (VII- VIII)	343.84	(124.59)	147.99	219.25	54.35
X Tax expense:					
(1) Current tax	-	-	-	-	-
(2) Deferred tax	(58.34)	-	(5.26)	(58.34)	4.32
(3) Tax expense / (income) for earlier years	5.51	-	3.82	5.51	3.82
XI Profit (Loss) for the period from continuing operations (IX-X)	396.67	(124.59)	149.43	272.08	46.20
XII Profit/(loss) from discontinuing operations	-	-	-	-	-
XIII Tax expense of discontinuing operations	-	-	-	-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-
XV Profit (Loss) for the period (XI + XIV)	396.67	(124.59)	149.43	272.08	46.20
XVI Profit (Loss) attributable to minority interest	2.15	(1.80)	(0.48)	0.35	(0.43)
XVII Profit (Loss) attributable to parent	394.52	(122.79)	149.91	271.73	46.63
XVIII Earnings per equity share of ₹10 each (^ -not annualised)					
(1) Basic	2.1^	(0.65)^	0.79^	1.44	0.25
(2) Diluted	2.1^	(0.65)^	0.79^	1.44	0.25

For IRIS Business Services Limited


K Balachandran

Whole Time Director & CFO

DIN: 00080055

Date : May 22, 2021

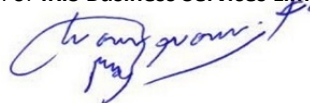


Consolidated Statement of Assets And Liabilities

Rupees in Lakhs

Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
I. EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	1,892.32	1,887.92
(b) Reserves and surplus	854.36	575.03
2 Minority Interest	2.05	1.71
3 Share application money pending allotment	-	-
4 Non-current liabilities		
(a) Long-term borrowings	13.55	289.07
(b) Deferred tax liabilities (Net)	-	58.34
(c) Long-term provisions	391.56	304.81
5 Current liabilities		
(a) Short-term borrowings	602.10	586.07
(b) Trade payables		
i) total outstanding dues of micro enterprises and small enterprises; and	2.89	26.71
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	222.09	202.01
(c) Other current liabilities	1,114.74	1,208.01
(d) Short-term provisions	590.35	584.57
TOTAL	5,686.01	5,724.25
II. ASSETS		
Non-current assets		
1 (a) Property, Plant and Equipment		
(i) Tangible assets	956.44	962.29
(ii) Intangible assets	1,207.96	1,699.16
(iii) Capital work-in-progress	-	-
(iv) Intangible assets under development	-	32.95
(b) Long-term loans and advances	31.02	33.03
(c) Other non-current assets	-	-
2 Current assets		
(a) Trade receivables	1,306.57	1,748.38
(b) Cash and cash equivalents	845.30	168.53
(c) Short-term loans and advances	50.82	93.07
(d) Other current assets	1,287.89	986.85
TOTAL	5,686.01	5,724.25

For IRIS Business Services Limited



K Balachandran

Whole Time Director & CFO

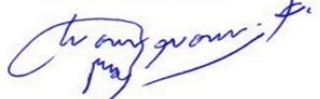
DIN: 00080055

Date : May 22, 2021



Consolidated Cash Flow Statement for the year ended 31 March, 2021		
	Rupees in Lakhs	
	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	219.25	54.35
Adjustments for :		
Depreciation and amortisation	623.63	616.46
Write-off of withholding tax	41.82	62.30
Expense on employee stock option scheme	(7.02)	0.91
Interest expenses	129.38	134.71
Other Finance Charges	38.51	-
Interest income	(20.26)	(13.19)
Other non-cash Items	1.54	(1.12)
Total	807.61	800.09
Operating Cash Profit before Working Capital Changes	1,026.86	854.44
(Increase) / Decrease in Sundry Debtors	491.09	(561.52)
(Increase) / Decrease in Short Term Loans & advances and Deposits	(220.40)	246.33
(Increase) / Decrease in Other Current Assets	(115.06)	(258.10)
(Increase) / Decrease in Long Term Loans and advances	2.01	(28.28)
(Increase) / Decrease in Other Non - Current Assets	-	9.87
(Decrease) / Increase in Trade Payables	(3.74)	(82.57)
(Decrease) / Increase in Other Current Liabilities	(60.36)	83.66
(Decrease) / Increase in Long term Provisions	86.74	109.18
(Decrease) / Increase in Short term Provisions	5.79	(0.61)
Total	186.07	(482.05)
Taxes Paid	(88.53)	(191.94)
Net Cash Inflow / (Outflow) in course of Operating activities (A)	1,124.40	180.45
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipments (including capital advances)	(11.71)	(21.13)
In-house Software Products Capitalisation	(58.15)	(32.95)
Interest Income Received	18.45	13.36
Net Cash Inflow / (Outflow) in the course of Investing Activities (B)	(51.41)	(40.73)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital on account of issue of shares under ESOP	17.46	-
Proceeds / (Repayments) of Short Term Borrowing	16.04	(8.28)
Other Finance Charges	(38.51)	-
Repayment of Finance Lease Obligations	(2.81)	-
Repayment of Long Term Borrowings	(516.93)	(170.89)
Interest paid on Term Loans, Working Capital Loan and Finance Lease	(134.12)	(129.98)
Capital contribution from Minority interest holder	-	2.40
Net cash flow used in financing activities (C)	(658.87)	(306.75)
Net increase / (decrease) in Cash and cash equivalents (A + B + C)	414.12	(167.03)
Add: Balance of Cash/Cash Equivalents at the beginning of the year	74.23	241.26
Cash/Cash Equivalents at the close of the year	488.35	74.23
Cash and bank balance at the end of the year	845.30	168.53
Less: Term Deposits not considered as cash & cash equivalents as per AS-3	(356.95)	(94.31)
	488.35	74.23

For IRIS Business Services Limited -



K Balachandran
Whole Time Director & CFO
 DIN: 00080055
 Date : May 22, 2021

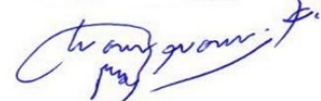


Consolidated Segment wise Revenue, Results and Assets and Liabilities

(Rs In Lakhs)

Particulars	Half Year Ended 31-Mar-2021 (Refer Note 2)	Half Year Ended 30-Sep-2020 (Unaudited)	Half Year Ended 31-Mar-2020 (Refer Note 2)	Year Ended 31-Mar-2021 (Audited)	Year Ended 31-Mar-2020 (Audited)
1. Segment Revenue					
(a) Segment – Collect	1,390.73	1,003.76	1,703.46	2,394.49	2,930.33
(b) Segment – Create	1,805.14	1,133.98	1,010.53	2,939.12	1,862.29
(c) Segment – Consume	165.67	131.50	166.08	297.17	307.15
Less: Inter Segment Revenue	-	-	-	-	-
Net sales/Income From Operations	3,361.54	2,269.24	2,880.07	5,630.79	5,099.77
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)					
(a) Segment – Collect	259.47	110.58	593.40	370.05	963.62
(b) Segment – Create	461.56	119.78	(104.05)	581.34	(157.77)
(c) Segment – Consume	24.46	6.94	1.19	31.41	(36.79)
(d) Unallocated	8.89	18.93	39.68	27.82	55.96
Total	754.39	256.23	530.22	1,010.62	825.02
Less: i) Interest	93.88	74.19	74.12	168.07	154.21
ii) Other Un-allocable Expenditure net off Un-allocable income	316.67	306.63	308.11	623.30	616.46
Total Profit Before Tax	343.84	(124.59)	147.99	219.25	54.35
3. Segment Assets					
(a) Segment – Collect	718.71	752.52	1,266.69	718.71	1,266.69
(b) Segment – Create	1,000.49	1,025.95	901.41	1,000.49	901.41
(c) Segment – Consume	1,017.94	1,216.66	1,394.37	1,017.94	1,394.37
(d) Unallocated	2,948.87	2,747.77	2,161.79	2,948.87	2,161.79
Total assets	5,686.01	5,742.90	5,724.25	5,686.01	5,724.25
4. Segment Liabilities					
(a) Segment – Collect	138.88	52.05	86.42	138.88	86.42
(b) Segment – Create	266.69	211.60	162.59	266.69	162.59
(c) Segment – Consume	0.00	0.05	24.18	0.00	24.18
(d) Unallocated	2,533.75	3,137.89	2,988.12	2,533.75	2,988.12
Total liabilities	2,939.33	3,401.60	3,261.30	2,939.33	3,261.30
Capital Employed	2,746.68	2,341.30	2,462.95	2,746.68	2,462.95

For IRIS Business Services Limited



K Balachandran

Whole Time Director & CFO

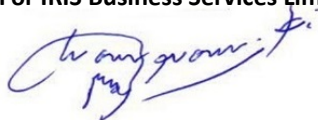
DIN: 00080055

Date : May 22, 2021



Notes:

1. The above standalone and consolidated financial results for the half year and year ended March 31, 2021 were reviewed and recommended by the Audit committee of the Board and approved by the Board of directors at their meeting held on May 22, 2021.
2. The standalone and consolidated financial results for the half year ended March 31, 2021 and March 31, 2020 are balancing figure between audited figures in respect of the full financial year and unaudited published figures upto first half period ended September 30th for the respective years which were subjected to limited review.
3. The above financial results are drawn in accordance with the accounting policies consistently followed by the Company.
4. The company has allotted 44,000 equity shares of INR 10/- each to the option grantees pursuant to the exercise of options under the company's Employee Stock option scheme, 2017. As a result the paid up equity capital of the company has increased from 1,88,79,162 shares of INR 10/- each to 1,89,23,162 shares of INR 10/- each.
5. Finance costs for for the half year and year ended March 31, 2021 includes loan foreclosure and processing charges of INR 38,51,176/-.
6. In the Standalone financial statements, with regards to our investment in subsidiaries, as at 31st March 2021, for one of our subsidiary in USA "IRIS Business Services, LLC" total liabilities exceeded its total assets by USD 1,79,449 (INR 1,31,90,362). The parent company is committed to provide necessary financial support as and when necessary. Considering the future prospect of the subsidiary and continued support of Parent, the investment in the subsidiary is measured at cost itself.
7. The consolidated financial results include financial results of four subsidiaries - IRIS Business Services LLC, IRIS Business Services (Asia) Pte Ltd, Atanou S.r.l and IRIS Logix solutions Private limited.
8. In the light of the future prospect of the subsidiary and committed continued support of Parent, financial statements of the subsidiary mentioned in point 6 have been prepared on a going concern basis and the same is considered for preparation of consolidated financial statements.
9. The outbreak of COVID-19 pandemic caused a slowdown of economic activity in FY2021. Many countries including India continue to be impacted by the pandemic and lockdowns of varied nature that has been imposed by the Central and State governments of India from time to time. The travel restrictions and lockdowns have caused a slowdown in acquisition of new business especially from the regulatory segment which could have an impact on our near term future revenues. While the pandemic is still unfolding and while it is challenging to predict the full economic fall out of the contagion, we have undertaken an internal assessment to understand the impact on our business and on the carrying amounts of assets. After examining various factors, we have come to the view that the company expects to recover the carrying amount of these assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The company will keep monitoring the uncertainties caused by the pandemic to assess its impact on our future economic conditions.
10. Corresponding previous period's figures have been regrouped and reclassified wherever necessary.
11. The results of the half year ended and year ended 31st March 2021 are available on the Bombay Stock Exchange website (URL: www.bseindia.com) and also on the company's website (URL: www.irisbusiness.com)

For IRIS Business Services Limited

K Balachandran
(Whole-Time Director & CFO)

DIN: 00080055

Date: May 22, 2021



KEY ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the relevant Consolidated Financial Statements. For details refer "**Financial Statements**" on page 82 of this Draft Letter of Offer

Ratios	FY 2021-22	FY 2020-21
	Audited	Audited
Profit After Tax as per Consolidated P&L Account (₹ in Lakhs)	99.80	413.53
Earnings before Interest, Taxes, Depreciation & Amortization (₹ in Lakhs)	792.54	1159.80
Weighted Average Number of Equity Shares at the end of the Year		
Basic	1,91,47,039	1,88,79,403
Diluted	1,92,57,474	1,88,79,403
Net Worth (₹ in Lakhs)	2,745.02	2618.87
Earnings Per Share		
Basic	0.52	2.19
Diluted	0.52	2.19
Return on Net Worth (%)	3.64	15.79
Net Asset Value Per Share (₹)	14.25	13.87
Nominal Value per Equity share (₹)	10	10

Securities Premium Reserve as on 31 March 2022: 1,207.68 (₹ in Lakhs)

Note 1: The ratios have been computed as below -

Basic earning per share:	Profit/(loss) for the period/year as per consolidated statement of profit and loss attributable to owners of Company / Weighted average number of Equity shares outstanding during the period/ year as adjusted for effects of all dilutive potential equity shares.
Return on net worth (%):	Profit/(loss) for the period/year as per the consolidated statement of profit and loss attributable to owners of Company / Net Worth as at the end of the year /period.
Net asset value per Equity Share:	Net Worth / Weighted average number of Equity shares outstanding during the period/ year as adjusted for effects of all dilutive potential equity shares.
Net-worth:	As per SEBI ICDR Regulations, as defined in Section 2 (57) of Companies Act, 2013, as added by credit balance in Other Comprehensive Income

Source: Certificate dated August 11, 2022 issued by KKC & Associates LLP (Formerly known as Khimji Kunverji and Co. LLP), Chartered Accountants bearing UDIN 22033494AOURKS7043

MANAGEMENT DISCUSSION AND ANALYSIS CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with the **"Financial Statements"** beginning on page 82. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read **"Risk Factors"** and **"Forward Looking Statements"** beginning on page 21 and 13, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this draft letter of offer are prepared in accordance with Ind AS and Indian GAAP as applicable, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2022 included herein is based on the Audited Consolidated Financial Statements included in this Letter of Offer. For further information, refer **"Presentation of Financial, Industry and Market Data"** and **"Financial Statements"** on page 15 and 82 respectively.

Background and Review

IRIS Business Services Limited was established in 2000. Over the years, the Company emerged as a leading global player in the regulatory technology space. The Company provides solutions in the area of compliance, data and analytics with offerings across the information supply chain and data reporting standards (XBRL and SDMX, among others). Over the past four years, the company has made a successful shift from a services focused business to a product-led model.

IRIS commenced its journey by offering XBRL-related services and consultancy to domestic and offshore clients. Over time, the Company has segregated its offerings into three segments – Collect, Create and Consume - as per consumer needs.

The company is not a KPO, BPO or an IT services company. The company offers Software as a Service (SaaS), Data as a Services (DAAS) and software product.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled **"Risk Factors"** on page 21 of this DLOF. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Product uptake in the market.
2. Sustained customer engagement.
3. Change in government compliance regulations.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled **"Financial Statements"** on page 82.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in section **"Financial Information"** on page 81, there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

RESULTS OF OPERATIONS

The following table sets out selected data from the Consolidated Audited Financial Statement for Fiscal 2022 and Fiscal 2021, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	FY 2022		FY 2021	
	₹ (in lacs)	% to total income	₹ (in lacs)	% to total income
Income				
Revenue from Operations	6127.23	98.95%	5714.96	99.62%
Other Income	65.31	1.05%	22.04	0.38%
Total Income	6192.54	100.00%	5737.00	100.00%
Expenses				
Employee Benefit Expenses	3476.91	56.15%	3099.35	54.02%
Finance Cost	106.76	1.72%	171.47	2.99%
Depreciation and amortisation expense	523.15	8.45%	627.28	10.93%
Other Expenses	1923.10	31.06%	1477.86	25.76%
Total Expenses	6029.92	97.37%	5375.96	93.71%
Profit / (Loss) before exceptional items and extraordinary items and Tax	162.62	2.63%	361.05	6.29%
Exceptional Items	-	-	-	-
Tax				
Current Tax	11.50		0.00	
Deferred Tax	0.61		(58.34)	
Prior Period Tax Adjustments	50.00		5.51	
Tax Expense Total	62.11	1.00%	(52.83)	(0.92%)
Profit After Tax	100.51	1.62%	413.87	7.21%
Other Comprehensive Income				
Items that will not be reclassified to statement of Profit & Loss	(75.20)		(19.70)	
Items that will be reclassified to statement of Profit & Loss	22.82		1.79	
Total Comprehensive Income	48.13		395.96	
Total Comprehensive Income attributable to parent	47.40		395.63	
Total Comprehensive Income attributable to minority interest	0.73		0.33	
Earnings per Share				
Basic (in Rs)	0.52		2.19	
Diluted (In Rs.)	0.52		2.19	

Total income

Our revenue comprises of: Revenue from operations by sale of services, sale of products and other incomes.

Revenue from operations

Our revenue from operations arises out of revenue from XBRL product and project income, XBRL related service and content & technology services.

Other Income

Our Other income is from interest income, rental income and MSEB discount.

Expenses

Our expenses consist of (i) employee benefit expenses; (ii) finance costs; (iii) depreciation and amortization expense; and (iv) other expenses.

Employee benefit expenses

Employee benefit expense consists of salary, contribution to provident fund expense and other expense, gratuity expense and staff welfare expense. {Our salary & wages are net of capitalization}

Finance costs

Our finance costs comprise of interest on term loan and working capital loan and other finance cost.

Depreciation and amortization expenses

Depreciation and amortization expenses consist of Tangible and intangible assets which are depreciated and amortized over periods corresponding to their estimated useful lives.

Other expenses

Our other expenses primarily include legal, professional and consultancy fees, travelling and conveyance, postage, telephone & communication charges, foreign travel expenses including onsite project expenses, onsite marketing & sales expenses, internet co-location charges, exchange loss / (gain), office maintenance expenses, software licence & hardware fees, provision for doubtful debts, electricity & water charges, rent. etc. {Our rent, facility software licences fees and outsourced software development expenses are net of capitalisation}

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations**Comparison of Consolidated Financial Results of Operations of Fiscal 2022 with Fiscal 2021****Revenues:**

Our total revenues in the fiscal year ended March 31, 2022 were ₹6192.54 Lakhs, an increase of 7.94% over our total revenues of ₹ 5737.00 Lakhs in the fiscal year ended March 31, 2021.

Our revenues from operation in the fiscal year ended March 31, 2022 were ₹ 6127.23 Lakhs, an increase of 7.21% over our total revenues of ₹ 5714.96 Lakhs in the fiscal year ended March 31, 2021. Our export revenues increased by 3.01% from ₹3,279.02 Lakhs in fiscal year ended March 31, 2021 to ₹ 3,378.00.00 Lakhs in fiscal year ended March 31, 2022.

Our revenues from "Collect" segment decreased from ₹2629.01Lakhs in the fiscal year ended March 31, 2021 to ₹ 2310.92 Lakhs in fiscal year ended March 31, 2022.

Revenues from "Create" segment grew from ₹2788.78 Lakhs in the fiscal year ended March 31, 2021 to ₹ 3508.40 Lakhs in the fiscal year ended March 31, 2022 primarily due to expansion of IRIS Carbon in the European market apart from growth in the GST compliance business.

Revenues from "Consume" segment increased from ₹ 297.17 Lakhs in the fiscal year ended March 31, 2021 to ₹ 307.92 Lakhs in the fiscal year ended March 31, 2022.

Other income

Our other income primarily comprises of interest on bank deposits. Our other income in the fiscal year ended March 31, 2021 was ₹ 22.04 Lakhs as compared to ₹ 65.31 Lakhs in the fiscal year ended March 31, 2022.

Employee benefit expenses

Employee costs net of capitalized cost in the fiscal year ended March 31, 2022 stood at ₹ 3476.91 Lakhs, an increase of 12.18% over our employee costs net of capitalized cost of ₹ 3099.35 Lakhs in the fiscal year ended March 31, 2021. Employee costs relate to salaries and incentive paid to employees.

Finance costs

Finance costs in the fiscal year ended March 31, 2022 were ₹106.76 Lakhs, a decrease of 37.73% from our finance costs of ₹171.47 Lakhs in the fiscal year ended March 31, 2021. Finance costs relate to interest and other borrowing costs paid by the Company on the credit facilities availed from the Banks/ Financial institutions.

Depreciation and Amortization Expense

Our depreciation and amortization charge was ₹ 523.15 Lakhs and ₹ 627.28 Lakhs for the year ended March 31, 2022 and March 31, 2021 respectively representing and 8.44% and 10.93% of revenues from operations for the year ended March 31, 2022 and March 31, 2021 respectively.

Other expenses

Our other expenses net of capitalized expenses increased by ₹445.24 Lakhs or by 30.12% from ₹1477.86 Lakhs in Financial Year 2021 to ₹1923.10 Lakhs in Financial Year 2022.

Profit/Loss before Tax

In light of above discussions, our profit before tax decreased substantially by ₹198.42 Lakhs or by 54.95% from a profit of ₹ 361.04 Lakhs in Financial Year 2021 to a profit of ₹162.62 Lakhs in Financial Year 2022.

Profit/Loss after Tax

For the various reasons discussed above, and following adjustments for tax expense, we recorded a profit of ₹100.51 Lakhs in Financial Year 2022 as compared from profit of ₹413.87 Lakhs in the Financial Year 2021 which was a decrease in Profit after tax by 72.16%.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, refer "**Financial Information**" on page 81 in this Draft Letter of Offer.

Significant Developments since last balance sheet date

Except as disclosed in section "**Outstanding Litigation & Defaults – Material Developments**" on page 128 of the Draft Letter of Offer knowledge no circumstances have arisen since March 31, 2022, the date of the last financial information disclosed in this draft letter of offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

MARKET PRICE INFORMATION

The Equity Shares are listed on BSE since October 11, 2017* and NSE since November 08, 2021. The Rights Equity Shares will be listed on BSE and NSE pursuant to the Issue. For further details, see "**Terms of the Issue**" on page 141.

**Note: The Company was listed on BSE SME Platform BSE Limited on October 11, 2017. Further, the Company migrated to main board of BSE Limited and National Stock Exchange of India Limited vide listing approval and trading approval dated November 03, 2021 and November 08, 2021 respectively.*

We have received in-principle approvals for listing of the Rights Equity Shares on the Stock Exchanges to be issued pursuant to the Issue from the BSE and NSE dated [●]. Our Company will also make applications to BSE and NSE to obtain the listing and trading approvals from the Stock Exchanges for the Rights Entitlements as required under the SEBI Rights Issue Circular.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity Shares, for the year, the month, or the week, as the case may be; and
4. In case of 2 days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The following table sets forth the high, low and average market price of the Equity Shares recorded on the NSE and BSE during the preceding 3 Fiscal and the number of the Equity Shares traded on the days when the high and low prices were recorded:

National Stock Exchange of India Limited ("NSE")

Fiscal	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Total Volume on date of high (₹)	Low (₹)	Date of low	Volume on date of low (No. of Equity Shares)	Total Volume on date of low (₹)	Average market price (₹)
2022	165.50	November 09, 2021	148381	23918686.70	93.05	March 07, 2021	44680	4368404.85	127.29
2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2020	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Source: www.nseindia.com

BSE Limited ("BSE")

Fiscal	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Total Volume on date of high (₹)	Low (₹)	Date of low	Volume on date of low (No. of Equity Shares)	Total Volume on date of low (₹)	Average market price (₹)
2022	165.50	November 09, 2021	44119	7143398	34.1	April 05, 2021	4000	136400	109.28
2021	43.9	December 29, 2020	44000	1695600	11.50	May 28, 2020	12000	141000	28.67
2020	34.5	April 01, 2019	12000	398200	13.55	March 19, 2020	24000	368400	22.35

Source: www.bseindia.com

The total number of Equity Shares traded on the BSE and NSE during the last 6 months was 677982 and 3993829 Equity Shares respectively. The average volume of Equity Shares traded on the BSE and NSE during the last 6 months was 4708 and 32208 Equity Shares per day respectively.

The high and low prices and volume of Equity Shares traded on the respective date on the NSE during the last 6 months preceding the date of filing of this Letter of Offer are as follows:

National Stock Exchange of India Limited ("NSE")

Month	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Total Volume on date of high (₹)	Low (₹)	Date of low	Volume on date of low (No. of Equity Shares)	Total Volume on date of low (₹)	Average market price (₹)
July 2022	93.55	July 29, 2022	77262	6837361.90	74.65	July 01, 2022	7400	571132.35	81.94
June 2022	93.50	June 20, 2022	169830	14664794.05	78.00	June 21, 2022	16052	1276253.25	80.66
May 2022	104.80	May 19, 2022	139525	13577298	71.10	May 12, 2022	41965	3181208.85	85.97
April 2022	121.00	April 25, 2022	19991	2134059.10	97.05	April 29, 2022	9926	984692.70	105.46
March 2022	120.20	March 09, 2022	112025	13121014.75	93.05	March 07, 2022	44680	4368404.85	105.83
February 2022	150.40	February 01, 2022	37570	5321528.85	95.25	February 22, 2022	64642	6358037.15	121.04

BSE Limited ("BSE")

Month	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Total Volume on date of high (₹)	Low (₹)	Date of low	Volume on date of low (No. of Equity Shares)	Total Volume on date of low (₹)	Average market price (₹)
July 2022	95.80	July 29, 2022	12307	1099712	77.30	July 04, 2022	31	2374	82.22
June 2022	98.00	June 10, 2022	28	2351	71.00	June 10, 2022	28	2351	80.78
May 2022	103.95	May 19, 2022	16872	1643210	72.90	May 12, 2022	1396	106927	86.31
April 2022	116.15	April 11, 2022	2963	336152	97.20	April 29, 2022	658	65726	105.61
March 2022	120.35	March 09, 2022	35492	4216768	90.25	March 02, 2022	6260	638058	105.89
February 2022	150.20	February 01, 2022	5956	848201	95.25	February 24, 2022	11452	1112520	122.03

The Board has approved the Issue at their meeting held on January 29, 2022. The high and low prices of Equity Shares as quoted on the BSE and NSE on January 30, 2022, the day on which the trading in the Equity Shares happened immediately following the date of the Board meeting are as follows:

National Stock Exchange of India Limited ("NSE")

Date	Volume (No. of Equity Shares)	High Price (₹)	Low Price (₹)
January 31, 2022	50060	142.00	131.90

BSE Limited ("BSE")

Date	Volume (No. of Equity Shares)	High Price (₹)	Low Price (₹)
January 31, 2022	9647	143.00	131.85

The closing market price of the Equity Shares as on August 10, 2022 i.e., one day prior to filing of this Draft Letter of Offer was ₹ 89.05 on BSE and ₹ 88.90 on NSE. The Issue Price is ₹ [●] per Rights Equity Share.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Except as disclosed below, there is no outstanding litigation with respect to (i) Issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries; (ii) material violations of statutory regulations by our Company and/or our Subsidiaries; (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiaries; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; and (v) other litigation, including civil or tax litigation proceedings, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position or is otherwise material in terms of for the purpose of litigation disclosures in this Draft Letter of Offer.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Accordingly, disclosed all outstanding litigations involving our Company and Subsidiaries which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered material only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Unless otherwise stated to contrary, the information provided is as of date of this draft letter of offer.

The Board, in its meeting held on:

- (I) 13th September 2017 determined that outstanding legal proceedings involving the Company, its Directors, Promoters, Subsidiaries and Group Companies where the amount aggregate amount involved, in such litigation exceeds 5 lakhs as per last audited financial statements will be considered as material litigation (**"Material Litigation"**); and
- (II) 13th September, 2017, determined that outstanding dues to creditors in excess of 20 Lakhs, shall be considered as material dues (**"Material Dues"**).

All terms defined in a particular litigation disclosure below are for that particular litigation only.

- Outstanding Material Litigations and Material Developments
- Outstanding Litigations
- Criminal Proceedings
 - (a) Criminal Proceedings involving the Company - NIL
 - (b) Criminal Proceedings involving the Directors - NIL
 - (c) Criminal Proceedings involving the Promoters - NIL
 - (d) Criminal Proceedings involving the Subsidiaries - NIL
- (III) Actions by Statutory/Regulatory Authorities
 - (a) Actions by Statutory/Regulatory Authorities against the Company

Name of the Authority	Amount	Brief Details of the case	Present Status
Writ petition filed by PF department in the High court against the Company (Case no. WP/10658/2014)	Rs. 1,74,700	Company had filed an appeal to the EPFAT (Employee Provident Fund Appellate Tribunal) against the order passed by the APFC, Vashi office directing the company to remit the damages of Rs. 1,74,700 and interest Rs. 56,204/- under section 14-B and 7-Q respectively on account of delayed remittance of PF dues for the period 05/2005 to 05/2007. EPFAT vide its order dated 26th September 2013 ruled in favor of the Company and had allowed the appeal and impugned order of the PF department was set aside. Then the PF department filed a writ petition in 2014 (Case no. WP/10658/2014) against the Company in Bombay High court.	The Company had filed a reply on the same in June 2016. The date of last hearing of the case was 25 th August 2016 and the case is under Admitted (Unready) status. However please be noted that there was no stay to the EPFAT order which was in favour of the Company.

(b) Actions by Statutory/Regulatory Authorities against the Directors: NIL

(c) Actions by Statutory/Regulatory Authorities against the Promoters: NIL

(d) Actions by Statutory/Regulatory Authorities against the Subsidiaries: NIL

(IV) Disciplinary Action / Penalty imposed by SEBI or Stock Exchanges against the Company in the last five financial years including outstanding action – The Company had received an email on 14.12.2021 from BSE stating that the Company is in non-compliance of Reg 29(2) & (3) of SEBI (LODR) Regulations 2015, pertaining to delay in furnishing prior intimation about the meeting of the Board of Directors held on 13.11.2021 to consider the financial results of the Company and therefore a fine of Rs. 11,800/- was imposed on the Company against such non-compliance. Thereafter, the Company replied to BSE vide email dated 14.12.2021 explaining that the said may be not treated as a non-compliance as it was due to migration of the Company from SME Board to the Main Board and hence the said fine imposed should be waived. However, vide email dated 19.05.2022, BSE informed the Company that the Request Review Committee has rejected the request for waiver of the fine. The Company again has written to BSE vide an email dated 26.05.2022 to reconsider their request for the said waiver. The Company is awaiting response from BSE.

(V) Disciplinary Action/Penalty imposed by SEBI or Stock Exchanges against the Promoters in the last five financial years including outstanding action -NIL

(VI) Claims relating to direct and indirect taxes, in a consolidated manner as on March 31, 2022

(a) Claims relating to direct and indirect taxes against the Company

Claims	Total No	Amount Involved (Rs.)
Direct Tax	7	16,17,150
#Indirect Tax	1	15,32,273

(b) The Company had received a notice in Form GST-ASMT-10 from GST Department dated 22.11.2021 wherein it was observed that during the scrutiny of the returns for the FY-2018 to FY-2019 there were some discrepancies with regards to excess ITC claimed of Rs. 15,32,273/- in GSTR 3B/9 which was not confirmed in GSTR 2A or 8A of GSTR 9. The Company had explained this discrepancy in Form GST ASMT-11 dated 21.12.2021. Thereafter, the Company had received further notice in Form GST DRC-01A from GST Department on 20.05.2022 to pay the amount along with applicable interest. The Company has again

replied to the said notice in Form DRC-01A-Part B on 03.06.2022 and has pleaded for non-acceptance of the liability on the grounds as explained in their reply dated 21.12.2021. The Company is awaiting a response from the GST Department. Claims relating to direct and indirect taxes against the Directors (other than the Promoters)

Claims	Total No	Amount Involved (Rs.)
Direct Tax (other than Promoters)	-	-
Indirect Tax	-	-

(c) Claims relating to direct and indirect taxes against the Promoters

Claims	Total No	Amount Involved (Rs.)
Direct Tax-S. Swaminathan*	2	30,47,912
Direct Tax-Deepta R (Interest) **	2	18,720
Indirect Tax	NIL	NIL

*S. Swaminathan:

The demand reflecting on the Income Tax portal pertains to AY 08-09 & AY 06-07 of Rs.30,47,912. However, the demand reflecting on the portal is erroneous as Section 154 assessment order for the said assessment year has been passed dated 07/09/2011 with a refund of Rs. 6,31,037 which was subsequently received as well. Further, Mr. S. Swaminathan has filed a letter dated January 16, 2020 along with all the relevant details to the assessing officer and has requested that the amount reflected in the portal should be rectified. However, the same is yet to be rectified.

**Deepta R: Response has been submitted to AO (AY2008-09, AY2009-10)

(d) Claims relating to direct and indirect taxes against the Subsidiaries

Claims	Total No	Amount Involved (Rs.)
Direct Tax	NIL	NIL
Indirect Tax	NIL	NIL

(VII) Other Pending Material Litigation

- (a) Material Litigation involving the Company-NIL
- (b) Material Litigation involving the Directors-NIL
- (c) Material Litigation involving the Promoters-NIL
- (d) Material Litigation involving the Subsidiaries-NIL

(VIII) Outstanding Dues to Creditors

Details in relation to the total outstanding dues (trade payables) owed to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, Material Dues to creditors and dues owed to other creditors as on 31st March, 2022, areas set forth below:

Particulars	Number of Creditors	Amount involved (Rs. In lacs)
Outstanding dues to micro, small and medium enterprises	17	33.92
Material Dues to creditors	1	79.35
Dues to other creditors	43	44.28

(IX) Material Developments

Save and except for the following, there have been no material developments since the date of the last audited Financial Statements i.e. as on March 31, 2022:

- (1) Our Board at its meeting held on May 27, 2022, have approved the audited consolidated financial statements of the Company for the financial year 2021-22 along with Auditor's Report thereon;
- (2) Our Board at its meeting held on May 27, 2022, have approved the re-appointment of following Non-Executive Independent Directors for a second term –
 - a. Mr. Vinod Agarwala for term of three years;
 - b. Mr. Ashok Venkatramani for term of five years; and
 - c. Mr. Bhaswar Mukherjee for term of five years.
- (3) Our Company has launched a new Litigation Management System product called "IRIS LMS" on May 16, 2022 which is a cloud-based platform designed to simplify GST Assessments and Litigation requirements of corporations.
- (4) Our Company, in partnership with two Malaysian Companies, has been selected to implement a project which includes among other things, the "the Enhancement of Malaysian Business Reporting System (MBRS)" at the Suruhanjaya Syarikat Malaysia (the Companies Commission of Malaysia).
- (5) Our Company has been provisionally selected for empanelment as an "Invoice Registration Partner" ("IRP") with the Goods and Services Tax Network ("GSTN"), subject to satisfying certain conditions.
- (6) Our Company has launched a new product called "IRIS Lookup" on April 14, 2022 which is a cloud-based, do-it-yourself utility solution for small teams of large and medium sized companies.

(X) Litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

(XI) Pending proceedings initiated against our Company for economic offences.

There are no pending proceedings initiated against our Company for economic offences.

(XII) Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies enactment in the last 5 (five) years against our Company.

There are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 (five) years against our Company.

(XIII) Material Fraud against our Company in the last 5 (five) years

There has been no material fraud committed against our Company in the last 5 (five) years.

(XIV) Fines imposed or compounding of offences for default

There are no fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of this draft letter of offer for the Company for default or outstanding defaults.

(XV) Non-Payment of Statutory Dues

There have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company.

(XVI) Wilful Defaulter

Our Promoters and Directors have not been identified as a wilful defaulter in terms of the SEBI ICDR Regulations as on the date of this draft letter of offer.

GOVERNMENT APPROVALS OR LICENSING ARRANGEMENTS

The Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/certification bodies required for its business and no other material approvals are required by it for carrying on its present business activities. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable the Company to carry out its activities.

In view of the approvals listed below, the Company can undertake its current business activities and no further material approvals from any statutory authority are required to continue those activities.

The following statement sets out the details of licenses, permissions and approvals taken by the Company under various central and state laws for carrying out its business.

INCORPORATION AND OTHER DETAILS

1. The certificate of incorporation dated October 3, 2000 was issued by Registrar of Companies, Maharashtra in the name of – IRISBUSINESS.COM (INDIA) PRIVATE LIMITED;
2. Fresh certificate of incorporation dated October 27, 2003 consequent to change of name was issued by Registrar of Companies, Maharashtra in the name of – IRIS BUSINESS SERVICES (INDIA) PRIVATE LIMITED;
3. Fresh certificate of incorporation dated July 13, 2009 consequent to change of name was issued by Registrar of Companies, Maharashtra in the name of – IRIS BUSINESS SERVICES PRIVATE LIMITED;
4. Fresh certificate of incorporation dated June 29, 2010 on account of conversion from private company into public company was issued by Registrar of Companies, Maharashtra in the name of –IRIS BUSINESS SERVICES LIMITED;
5. The Corporate Identification Number of the Company is L72900MH2000PLC128943;
6. The Company was listed on SME Platform of BSE on October 11, 2017 vide listing and trading approval from BSE dated October 10, 2017;
7. The Company was migrated to main board of BSE and NSE from SME board of BSE vide listing and trading approval from BSE dated November 04, 2021 and NSE dated November 03 2021;
8. We require various approvals and/or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below: -

S. No	Particulars	Granting Authorities	Registration/ Approval/ Code No	Date of Issue/ Application	Period of validity if specified
1.	Permanent Account Number	Income Tax Department	AAACI9260R		Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Department	MUMI06286A		Valid until cancelled
3.	Goods and Service Tax	Government of India and Government of Maharashtra	27AAACI9260R1ZV	September 22, 2017	Valid until cancelled
4.	Maharashtra CST Tax payer's Identification Number (TIN)	Maharashtra Sales Tax Department	27810645377C	June 24, 2008	Valid until cancelled

S. No	Particulars	Granting Authorities	Registration/ Approval/ Code No	Date of Issue/ Application	Period of validity if specified
5.	Professional Tax Employer Registration Certificate	Professional Tax Officer	P.T.R.C. No. 27810645377P	January 21, 2013	Valid until cancelled
6.	Professional Tax Enrolment Registration Certificate	Professional Tax Officer	P.T.E.C No. 99760035008P	January 21, 2013	Valid until cancelled
7.	Employees Provident Fund Code	Employees Provident Fund Organisation	THVSH0117342000	July 3, 2007	Valid until cancelled
8.	Employees State Insurance Code	Employees State Insurance Corporation	34-4220-90	June 13, 2008	Valid until cancelled
9.	Shops and Establishment	Inspector under the Maharashtra Shops and Establishments Act, 1948	2110200315627731	August 09, 2021	August 09, 2024
10.	Certificate of Importer- Exporter Code (IEC)	DGFT, Ministry of Commerce & Industry	0304062987	December 3, 2004	Valid until Cancelled
11.	Certificate of registration with STPI	Software Technology Park of India (under Ministry of Electronics and Information Technology)	STPIM/MUM/ ESG/NSTP/Re g. 2016-17/373/297	April 19, 2020	April 18, 2023
12.	Registration as 'Medium Enterprise' under MSMED ACT 2006	Ministry of Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises under the Development (MSMED) Act, 2006	UDYAM-MH-19-0000135	July 03, 2020	Valid until Cancelled
13.	ISO/IEC 27001:2013 in respect of Information Management System applies to software development, implementation, after sales service, IT	BSI, UK	IS 683782	November 20, 2020	November 19, 2023

S. No	Particulars	Granting Authorities	Registration/ Approval/ Code No	Date of Issue/ Application	Period of validity if specified
	Infrastructure, Administration, human Resource, Legal and Finance functions				
14.	Legal Entity Identifier	Legal Entity Identifier India Limited	335800YHQD1SNH936 I32	September 12, 2021	September 12, 2022

The Company is yet to apply for the change in name and/or address in Certificate of registration of PTEC & PTRC, Registration certificate of Employees Provident Fund Code and Employees State Insurance Code.

APPROVALS RELATING TO INTELLECTUAL PROPERTY

The Company has also obtained registration of its following trademarks which add significant value and are important to the Company's business:

Sr. No	Trade Mark		Appl. No.	Class	Application Date	Renewal Date	Current Status
1	IRIS Portfolio Pulse	Label	1950611	9	15.04.2010	13.04.2030	Registered
2	MYIRIS	Label	2431439	9	22.11.2012	22.11.2022	Registered
3	myiris	Word	2431440	16	22.11.2012	22.11.2022	Registered
4	iDeal	Word	2512067	9	12.04.2013	11.04.2023	Registered
5	iDeal	Word	2512068	42	12.04.2013	11.04.2023	Registered
6	IRIS iDeal	Word	2512069	9	12.04.2013	11.04.2023	Registered
7	IRIS iDeal	Word	2512070	42	12.04.2013	11.04.2023	Registered
8	IRIS iDeal	Label	2512071	9	12.04.2013	11.04.2023	Registered
9	IRIS iDeal	Label	2512072	42	12.04.2013	11.04.2023	Registered
10	IRIS Proton	Label	2512073	9	12.04.2013	11.04.2023	Registered
11	IRIS Proton	Label	2512074	42	12.04.2013	11.04.2023	Registered
12	IRIS Proton	Word	2512075	9	12.04.2013		Opposed. Awaiting hearing date
13	IRIS Proton	Word	2512076	42	12.04.2013	11.04.2023	Registered
14	Proton	Word	2512077	9	12.04.2013	11.04.2023	Registered
15	Proton	Word	2512078	42	12.04.2013		Withdrawn
16	IRIS	Word	2512088	9	12.04.2013	11.04.2023	Registered
17	IRIS	Word	2512090	35	12.04.2013		Refused
18	IRIS	Word	2512091	36	12.04.2013	11.04.2023	Registered
19	IRIS	Word	2512092	41	12.04.2013	11.04.2023	Registered
20	IRIS	Word	2512093	42	06.02.2015	05.02.2025	Registered
21	IRIS Carbon	Device	2893696	42	06.02.2015	05.02.2025	Registered
22	Carbon	Word	2893697	42	06.02.2015	05.02.2025	Registered
23	IRIS Carbon	Word	2893698	42	06.02.2015	05.02.2025	Registered
24	IRIS Carbon	Word	2893699	9	06.02.2015	05.02.2025	Registered

Sr. No	Trade Mark		Appl. No.	Class	Application Date	Renewal Date	Current Status
25	Carbon	Word	2893700	9	06.02.2015		Withdrawn
26	IRIS Carbon	Device	2893701	9	06.02.2015	05.02.2025	Registered
27	Eximfo	Word	3489913	42	22.02.2017	21.02.2027	Registered
28	Eximfo	Word	3489914	9	22.02.2017	21.02.2027	Registered
29	E Passbook	Label	1621855	9	19.11.2007	18.11.2027	Registered
30	Ifile - Enabling E-Filing	Label	1629693	9	11.12.2007	10.12.2027	Registered
31	Iservices	Label	1629694	9	11.12.2007	10.12.2027	Registered
32	MY Iris Plus	Label	1629691	9	11.12.2007	10.12.2027	Registered
33	Fin	Label	1629692	9	11.12.2007	10.12.2027	Registered

Certificate of Registration of Trademark Number- 1621855, 1629691, 1629692, 1629693 and 1629694 are in the old name i.e. IRIS Business (India) Service Pvt Ltd. However, the name in the registry data has been updated. The Company is yet to apply for change in address.

Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

OTHER REGULATORY AND STATUTORY APPROVALS AUTHORITY FOR THE ISSUE

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on January 29, 2022 pursuant to Section 62(1) (a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

Our Rights Issue Committee in its meeting held on August 11, 2022 has approved the Draft Letter of Offer.

Our Rights Issue Committee in its meeting held on [•] has resolved to issue Equity Shares to the Eligible Equity Shareholders, at ₹ [•] per Equity Share, in the ratio of [•] Equity Shares for every [•] Equity Shares as held on the Record Date. The Issue Price of ₹ [•] per Equity Share has been arrived at, in consultation with the Lead Manager, prior to determination of the Record Date.

Our Company has received "In-Principle Approval" from BSE and NSE vide their letter dated [•] and [•] respectively in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in this Issue. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [•] for the Rights Entitlements to be credited to the respective Demat accounts of the Equity Shareholders of our Company. For details, see "**Terms of the Issue**" beginning on page 141

Association of our Directors with securities market

None of our Directors are associated with the securities market.

PROHIBITION BY SEBI

Our Company, Promoters, member of the Promoter Group, Directors and persons in control of our Company have not been prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this draft letter of offer.

The companies with which our Promoter or our Directors are associated as promoter or directors have not been debarred from accessing the capital market by SEBI.

Neither our Promoter nor our Directors have been declared as Fugitive Economic Offenders.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE and NSE. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations.

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1) (a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges and has received their "In-Principle Approvals" for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE Limited is the Designated Stock Exchange for this Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of the draft Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE and NSE; and
3. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this draft letter of offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

This draft letter of offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is not exceeding Rs. 50 crores.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this draft letter of offer or in the advertisements or any other material issued by or at instance of the above-mentioned entities and that anyone placing reliance on any other source of information, including website of our Company or Lead Manager would be doing so at his or her own risk.

Investors will be required to confirm and will be deemed to have represented to our Company, Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares. Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this draft letter of offer.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this draft letter of offer. You must not rely on any unauthorized information or representations. This draft letter of offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this draft letter of offer is current only as of its date.

DISCLAIMER IN RESPECT OF JURISDICTION

This draft letter of offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

DISCLAIMER CLAUSE OF BSE LIMITED

The Designated Stock Exchange for the purposes of this Issue is BSE Limited. As required, a copy of this draft letter of offer has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of the Draft Letter of Offer is as follows: "BSE Limited ("the Exchange") has given vide its letter dated [●], permission to this Company to use the Exchange's name in this draft letter of offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this draft letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this draft letter of offer; or
- ii. Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- iii. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company; and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever"

DISCLAIMER CLAUSE OF NSE

As required, a copy of this draft letter of offer has been submitted to the [●]. The Disclaimer Clause as intimated by the [●] to us, post scrutiny of the Draft Letter of Offer is as follows:

"As required, a copy of this draft letter of offer has been submitted to [●] Limited (hereinafter referred to as [●]). [●] has given vide its letter Ref. No. [●] dated [●] permission to the Issuer to use the Exchange's name in this draft letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by [●] should not in any way be deemed or construed that the letter of offer has been cleared or approved by [●]; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this draft letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS

EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

For more detail, please refer "**Notes to Overseas Investor**" on page 10 of this draft letter of offer.

FILING

For details, please refer section titled "**General Information**" on page 40 of this draft letter of offer.

LISTING

The Designated Stock Exchange for the purposes of the Right Issue will be BSE Limited. Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints. Redressal norm for response time for all correspondence including shareholders complaints is within 15 (fifteen) days. Additionally, we have been registered with SCORES, as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Letters are filed category wise after being duly attended. A well-arranged correspondence system has been developed for letters of a routine nature. Our Company has constituted Stakeholders Relationship Committee which currently comprises of Mr. Bhaswar Mukherjee (Chairman), Mr. Balachandran Krishnan and Ms. Deepta Rangarajan. Our Company provides easy access to information regarding our services and ensure timely disclosures of financial as well as non-financial material information. Grievances are resolved in a timely, efficient and fair manner, and processes are promptly initiated to prevent recurrence.

GRIEVANCE REDRESSAL MECHANISM

The Company has an established mechanism for investor services and grievance handling, with RTA and the Compliance Officer of the Company for this purpose, being important functional nodes.

Some of the key steps undertaken by the Company for handling Investor Grievances are enumerated as follows:

- Link Intime India Private Limited (RTA) is entrusted with handling all share related matters.
- Investors can lodge a complaint by giving details of their name, folio no., DP ID / Client ID, nature and full particulars of their complaint directly to the company at [•]
- All the investor complaints/grievance received through SEBI by online "SEBI Complaints Redress System" (SCORES) are checked regularly and replied/resolved expeditiously.
- As required under Regulation 13 of the Listing Regulations, the Company files with the Stock Exchanges and places the statement of investor complaints at the Board meeting on a quarterly basis.

STATUS OF OUTSTANDING INVESTOR COMPLAINTS

As on the date of this draft letter of offer, there were no outstanding Investor complaints.

As mentioned, our Company is registered with the SCORES. Consequently, Investor grievances are tracked online by our Company. The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Investor Grievances arising out of the Issue

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue. The agreement between the Company and the Registrar to the Issue provides for a period for which records shall be retained by the Registrar to the Issue in order to enable the Registrar to the Issue to redress grievances of Investors.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB in case of ASBA process, giving full details such as Folio No. / Demat Account No., name and address, contact telephone/ cell numbers, email id of the first Applicant, number of Rights Equity Shares applied for, serial number of Application Form, amount blocked (in case of ASBA process), the name of the bank/ SCSB and the branch where the Application Form was deposited, along with a photocopy of the acknowledgement slip (in case of ASBA process). In case of renunciation, the same details of the Renouncee should be furnished. For details on the ASBA, please see the chapter titled "**Terms of the Issue**" on page 141.

Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice / share certificates / Demat credit / refund orders etc.

Registrar to the Issue

Link Intime India Private Limited

Contact Person: Mr. Sumeet Deshpande

Tele: +91 22 4918 6200

Email: iris.rights@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance ID: iris.rights@linkintime.co.in

SEBI Registration No.: INR00004058

Company Secretary and Compliance Officer

Santoshkumar Sharma

Address: T-231, 3rd Floor, Infotech Park, Tower 2, Vashi,

Navi Mumbai, Maharashtra 400703

Email: cs@irisbusiness.com

Website: www.irisbusiness.com

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (<https://linkintime.co.in/>). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties is: +91 22 4918 6200.

SECTION VII - ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("SEBI – Rights Issue Circular"), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. However, in view of the COVID-19 pandemic and the lockdown measures undertaken by Central and State Governments, relaxation from the strict enforcement of the SEBI – Rights Issue Circular has been provided by SEBI, vide its Circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 & Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19 2021 ("SEBI Right Issue Circulars/SEBI Relaxation Circulars"). As per the said circular, in case the physical shareholders who have not been able to open a demat account or are unable to communicate their demat details, in terms of clause 1.3.4 of the SEBI – Rights Issue Circular, to the Company or Registrar to the Issue, for credit of REs within specified time, such physical shareholders may be allowed to submit their application subject to the conditions prescribed in the SEBI Circulars dated May 06, 2020 , July 24, 2020 and January 19 2021 For guidance on the application process and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the registrar www.linkintime.co.in

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, If any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- our Company at www.irisbusiness.com
- the Registrar to the Issue at www.linkintime.co.in
- the Lead Managers at www.fedsec.in ;
- the Stock Exchanges at www.bseindia.com / www.nseindia.com.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the issue at www.linkintime.co.in by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company at www.irisbusiness.com

Please note that neither our Company nor the Registrar nor the Lead Managers shall be responsible for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Equity Shares under the laws of any jurisdiction which apply to such person.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, refer **"Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders"** beginning on page 148 of this Draft Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer "Grounds for Technical Rejection" on pages 147. Our Company, the Lead Managers and the Registrar shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, refer **"Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"** beginning on page 142.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i. apply for its Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii. apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- v. renounce its Rights Entitlements in full.

A. Procedure for application through ASBA Facility

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application,

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Investors applying through ASBA:

- a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be Allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Dont's for Investors applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Lead Managers, the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- d) Do not submit Application Form using third party ASBA account

B. Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Managers. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- 1. Name of our Company, being Iris Business Services Limited;
- 2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- 3. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- 4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- 5. Number of Equity Shares held as on Record Date;
- 6. Allotment option – only dematerialised form;
- 7. Number of Equity Shares entitled to;

8. Number of Equity Shares applied for within the Rights Entitlements;
9. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Equity Shares applied for;
11. Total amount paid at the rate of ₹ [●] per Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlements nor the Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Equity Shares referred to in this application are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act ("Regulation S") to existing shareholders who are non-U.S. Persons and located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions and (ii) within the United States or to U.S. Persons that are "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) ("U.S. QIB") pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act, that are also "qualified purchasers" (as defined under the United States Investment Company Act of 1940, as amended) ("QPs") in reliance upon section 3(c)(7) of the U.S. Investment Company Act. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and a non-U.S. Person and eligible to subscribe for the Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/ We understand and agree that the Rights Entitlements and Equity Shares may not be reoffered, resold, pledged or otherwise except in an offshore transaction in accordance with Regulation S to a person outside the United States and not

reasonably known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the Stock Exchanges).

I/ We acknowledge that we, the Lead Managers, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Managers and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in

Our Company, the Lead Managers and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

C. Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- i. the Eligible Equity Shareholders are residents;
- ii. the Eligible Equity Shareholders are not making payment from non-resident account;
- iii. the Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- iv. the Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar not later than two Working Days prior to the Issue Closing Date.
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

3. The remaining procedure for Application shall be same as set out in **"Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"** beginning on page 142.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the applicable Regulations and in the manner as set out in **"Basis of Allotment"** beginning on page 161.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Investors in relation to making of an Application

- a. Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.
- b. Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- c. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section **"Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"** on page 142.
- d. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- e. Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Managers.
- f. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- g. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing

of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Managers shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

- h. By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- j. Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Managers, SCSBs or the Registrar will not be liable for any such rejections.
- k. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- l. All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- m. Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- n. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- q. Do not pay the Application Money in cash, by money order, pay order or postal order.
- r. Do not submit multiple Applications.
- s. No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to

make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals.

- t. An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
- (g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (l) Physical Application Forms not duly signed by the sole or joint Investors.
- (m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (o) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such

person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, refer ***"Procedure for Applications by Mutual Funds"*** on page 159.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected.

D. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.irisbusiness.com).

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares under dispute, including any court proceedings, as applicable g) non-institutional equity shareholders in the United States.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE[●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. www.linkintime.co.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

E. Renunciation & Trading of the Rights Entitlements Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "On Market Renunciation"); or (b) through an off-market transfer (the "Off Market Renunciation"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Managers and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

a. On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE[●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE[●] and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of stock exchanges under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

b. Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE[●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date i.e. [●].

Terms of Payment

Full amount of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) shall be payable on Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to [●] Rights Equity Shares and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her/ their Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Ranking

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank pari-passu with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received In-Principle approval from the BSE Limited and National Stock Exchange of India Limited through letter bearing reference number [●] dated [●] and [●] dated [●] respectively. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip code: 540735) and NSE (Symbol: IRIS) under the ISIN: INE864K01010. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within eight days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoters and members of the Promoter

Our Promoters and Member(s) of the Promoter Group have, vide their letter dated 09th February 2022 (the "Subscription Letters") confirmed that they would not participate in the Rights Issue, and accordingly they would not be subscribing to any Rights Entitlement renounced in their favor by any other Promoters or Member(s) of the Promoter Group of our Company in accordance with Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations.

The Promoter has confirmed that non-participation by the promoters in the Rights Issue will not result in a change of control or the management of the Company, and the aggregate shareholding of the Promoter and Promoter Group of the Company shall not be exceeding 75% of the issued, outstanding and fully paid-up equity share capital of the Company after the Issue.

Since the Promoters and other members of the Promoter Group would not participate in this Issue, Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations is not applicable.

The Promoter and other members of the Promoter Group would not be participating in the Rights Issue and accordingly, the holdings of the Promoter and other members of the Promoter Group will be within the minimum public shareholding requirements prescribed under applicable law.

Rights of Holders of Equity Shares of our Company

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

- a. The right to receive dividend, if declared;
- b. The right to receive surplus on liquidation;
- c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d. The right to free transferability of Equity Shares;
- e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in the Letter of Offer; and
- f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

General Terms of the Issue

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share. Further, the Rights Equity Shares shall be allotted only in dematerialised form.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment of Rights Equity Shares shall be in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with the respective Depository Participants ("DPs") of the Eligible Equity Shareholders (Investors) would prevail. Any Eligible Equity Shareholders (Investor) holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares will be traded in dematerialised form only and therefore the marketable lot is one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. However, the Letter of offer, Abridged Letter of Offer, Application Form and other applicable Issue materials will be made available on the websites of the Company, registrar to the issue, stock exchanges and the lead manager to the issue. Further, best efforts will be made to reach out the Eligible Equity Shareholders who have not registered their e-mail id with our Company including but not limited to sending SMS or audio-visual advertisement on television or digital advertisement, etc.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai, where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Rights Equity Shares to non-resident Equity Shareholders including additional Rights Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at irisbusiness.rights@linkintime.co.in. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Managers and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the email address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Managers and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and

conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at the office of the registrar to the issue at C-101, 247 Park, Lal Bahadur Shastri Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083 or e-mail at irisbusiness.rights@linkintime.co.in.

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, REFER "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 162.

ISSUE SCHEDULE

Issue Opening Date	[•]
Last date for on-market renunciation of rights / Date of closure of trading of Rights Entitlement[#]	[•]
Issue Closing Date*	[•]
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	[•]
Date of Allotment (on or about)	[•]
Date of credit (on or about)	[•]
Date of listing (on or about)	[•]

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or the optional mechanism.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. [●], refer "***Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form***" on page 144.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email-to-email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdiction.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Issue Materials and the Application Form. However, the Letter of offer Abridged Letter of Offer, Application Form and other applicable Issue materials will be made available on the websites of the Company, registrar to the issue, stock exchanges and the lead manager to the issue. Further, best efforts will be made to reach out the Eligible Equity Shareholders who have not registered their e-mail id with our Company including but not limited to sending SMS or audio-visual advertisement on television or digital advertisement, etc.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (www.irisbusiness.com).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date i.e. [●] and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details refer "Grounds for Technical Rejection" on page 147 of this Draft Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, refer "**Application on Plain Paper under ASBA process**" on page 142 of this Draft Letter of Offer.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of

such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Investment / Procedure for applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- a. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- b. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 – IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs, VCFs and FDI Route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture

capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals

Applications by mutual funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with the Board and that such applications shall not be treated as multiple applications. The application made by an asset management company or by custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by non-resident Indians (NRIs)

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Last Date for Application

The last date for submission of the duly filled in Application Form is the Issue Closing Date i.e., [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date i.e. [●].

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under the section, "Basis of Allotment" on page 161 of this Draft Letter of Offer.

Please note that on the Issue Closing Date, applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period (before Issue Closing) by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may **withdraw their Application post the Issue Closing Date.**

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date subject to necessary confirmation from the regulatory authority and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act,

2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

For Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

For Non-Resident Investors

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company or the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard. Non-Resident Investors shall send their Right Entitlement credit request with ID proof to the Registrar to the Issue at irisbusiness.rights@linkintime.co.in.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE I.E. [•] AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Basis of Allotment

Subject to the provisions contained in the Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches or Controlling branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

(a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;

(b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

(c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices/Refund Orders/Unblocking of ASBA Accounts

Our Company will send/ dispatch Allotment advice, refund instructions/intimations (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and "our Directors" who are officers in default shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date i.e. [●].

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Notes:

1. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares in proportion to amount paid-up on the Rights Equity Shares, as permitted under applicable laws.
2. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
3. **The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.**

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. Unblocking amounts blocked using ASBA facility.
2. **National Automated Clearing House ("NACH")** – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.
3. **National Electronic Fund Transfer ("NEFT")** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("IFSC Code"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. **Direct Credit** - Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.
5. **RTGS** – If the refund amount exceeds ₹ 200,000 Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
6. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and are permitted by SEBI from time to time.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and an agreement with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of

subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in **"Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form"** on pages 144.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

- i. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- ii. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- iii. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten (10) years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three (3) times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Minimum subscription

This Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is not exceeding Rs. 5,000.00 Lakhs.

In accordance with proviso to Regulation 86 of SEBI ICDR Regulations amended vide SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. September 28, 2020 the minimum subscription criteria is not applicable to this issue if:

1. object of the issue involves financing other than financing of capital expenditure for a project; and
2. the promoters and the promoter group of the issuer undertake to subscribe fully to their portion of rights entitlement and do not renounce their rights except to the extent of renunciation within the promoter group.

The object of Issue is other than financing for more details please refer **"Objects of Issue"** on page 51 of this DLOF. Therefore, Regulation 86(1)(b) of the SEBI ICDR Regulations read with Regulation 60 is not applicable. Accordingly, the Rights Issue size would stand reduced to the extent of under subscription.

Utilization of Issue Proceeds

Our Board of Directors/ Rights issue Committee members declares that:

- A. All monies received out of issue of shares or specified securities to the public shall be transferred to a separate bank account.
- B. Details of all monies utilised out of the issue referred to in clause (A) shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilised; and

- C. Details of all unutilised monies out of this issue referred to in clause (A) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

Undertaking

Our Company undertakes the following:

- i. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- ii. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- iii. The funds required for making refunds/unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- iv. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- v. In case of refund/unblocking of the application money/amount for unsuccessful applicants or part of the application money / amount in case of proportionate allotment, a suitable communication shall be sent to the applicants.
- vi. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- vii. Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Investor Grievances, Communication & Important Links

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "IRIS Business Services Limited – Rights Issue" on the envelope and postmarked in India or in the email) to the Registrar at the following address:

LINK INTIME PRIVATE LIMITED

C-101, 247 Park,
Lal Bahadur Shastri Rd,
Surya Nagar, Gandhi Nagar,
Vikhroli West, Mumbai,
Maharashtra 400083.

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.linkintime.co.in). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 022- 22 4918 6200.

The Investors can visit following links for the below-mentioned purposes:

- a. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: 022- 22 4918 6200.
- b. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: iris.rights@linkintime.co.in
- c. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: irisbusiness.rights@linkintime.co.in
- d. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: iris.rights@linkintime.co.in

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("DPIIT"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("FDI Circular 2020"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue.

The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the registered office of the Company between 10 a.m., and 5 p.m., on all working days from the date of the Letter of Offer until the Issue Closing Date and Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to cs@irisbusiness.com.

A) Material contracts for the Issue

1. Issue Agreement dated February 18 2022 between our Company and the Lead Manager.
2. Registrar Agreement dated February 18 2022 between our Company and Registrar to the Issue.
3. Bankers to the Issue Agreement dated February 23 2022 amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.

B) Material documents for the Issue

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated January 29, 2022 in relation to the Issue and other related matters.
3. Resolution passed by our Rights Issue Committee dated [●] finalizing the terms of the Issue including Record Date and the Rights Entitlement ratio.
4. The Audited Consolidated and Standalone Financial Statements for year ended March 31, 2021 and the Audited Consolidated Financial Results for the year ended March 31, 2022.
5. Consents of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Bankers to our Company, and Banker to the Issue to include their names in this Draft Letter of Offer and to act in their respective capacities.
6. The Report dated August 11, 2022 from the Statutory Auditors of our Company, confirming the Statement of Special Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Letter of Offer.
7. Prospectus dated September 22, 2017 of the Initial Public Offer.
8. Annual Reports of our Company for Fiscal 2021, 2020, 2019, 2018 and 2017.
9. In-principle listing approvals dated [●] issued by BSE and [●] issued by National Stock Exchange of India Limited under Regulation 28(1) of the SEBI Listing Regulations.
10. Due diligence certificate shall be submitted to SEBI by Lead Manager to the Issue.
11. Tripartite agreement amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue
12. Tripartite agreement amongst our Company, National Securities Depository Limited and Registrar to the Issue.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

VINOD AGARWALA

Chairman and Independent Director

DIN: 01725158

BHASWAR MUKHERJEE

Independent Director

DIN: 01654539

ASHOK VENKATRAMANI

Independent Director

DIN: 02839145

HASEEB A. DRABU

Independent Director

DIN: 00489888

SWAMINATHAN SUBHRAMANIAM

Whole Time Director & Chief Executive Officer

DIN: 01185930

DEEPTA RANGARAJAN

Whole Time Director

DIN: 00404072

BALACHANDRAN KRISHNAN

Whole Time Director & Chief Financial Officer

DIN: 00080055

Place: Navi Mumbai

Date: August 11, 2022