



IRIS BUSINESS SERVICES LIMITED
ANNUAL REPORT 2017-18

The Data Refiners



CAUTION REGARDING FORWARD-LOOKING STATEMENTS

THIS DOCUMENT CONTAINS STATEMENTS ABOUT EXPECTED FUTURE EVENTS AND FINANCIAL AND OPERATING RESULTS OF IRIS BUSINESS SERVICES LIMITED (IRIS), WHICH ARE FORWARD-LOOKING. BY THEIR NATURE, FORWARD-LOOKING STATEMENTS REQUIRE THE COMPANY TO MAKE ASSUMPTIONS AND ARE SUBJECT TO INHERENT RISKS AND UNCERTAINTIES. THERE IS SIGNIFICANT RISK THAT THE ASSUMPTIONS, PREDICTIONS AND OTHER FORWARD-LOOKING STATEMENTS WILL NOT PROVE TO BE ACCURATE. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON FORWARD LOOKING STATEMENTS AS A NUMBER OF FACTORS COULD CAUSE ASSUMPTIONS, ACTUAL FUTURE RESULTS AND EVENTS DIFFER MATERIALLY FROM THOSE EXPRESSED IN THE FORWARD LOOKING STATEMENTS. ACCORDINGLY, THIS DOCUMENT IS SUBJECT TO THE DISCLAIMER AND QUALIFIED IN ITS ENTIRETY BY THE ASSUMPTIONS, QUALIFICATIONS AND RISK FACTORS REFERRED TO IN THE MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE ANNUAL REPORT.

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An abstract graphic on a dark blue background. On the left, there is a vertical column of white binary code (0s and 1s). From this column, a series of thin, glowing blue lines radiate outwards to the right, creating a sense of data flow or expansion. Interspersed among these lines are small, colorful dots in shades of blue, yellow, and red. The overall effect is one of dynamic digital activity.

Tomorrow's business **today**.

There is only word for what has happened to information in the last decade-and-a-half.

Explosion!

And yet, ~90% of all data is either semi-structured or unstructured

Some 83% of IT professionals interviewed said they made structured data initiatives their priority (Source: 2015 IDG Enterprise study)

The bottomline: the business of providing tools to structure information from raw data is likely to remain as much tomorrow's business as it is today's.

Much information in the world needs to be structured and reported.

This is something that IRIS specialises in.

IRIS creates products that enable stringent compliance with reporting guidelines and various regulatory mandates.

IRIS is among a handful of enterprises in the world to offer solutions that encompass the information supply chain.

Making it a company engaged in tomorrow's business today.

Eight things you need to know about IRIS Business Services Limited

01. Our background

We understand data. We know how to make it talk. Our founders started IRIS after having done just this in their previous jobs - Balu and Deepta in CRISIL, India's leading rating agency, an affiliate of S&P; Swaminathan in his jobs in the media, at The Economic Times and Business India. When they came together to serve the research needs of institutional investors, they saw that there was a problem with data that needed to be fixed. We have built a business around Suptech and Regtech, making us a player in the burgeoning Fintech industry.

02. Diversified offerings

We work with regulators. We work with the regulated. We serve investors. We straddle the entire length of the information supply chain. Our filing platform software helps regulators receive data in XBRL and other formats. Our validation software helps validate the data before regulators accept the submissions, saving time and money while improving the quality of oversight. We work with central banks, business registries (or RoC as we call them in India) and capital market regulators. Our software serves the needs of the regulated too, like enterprises and banks who generate their filings in the format prescribed by the regulator. XBRL for RBI. JSON for GST. XML for FIU. We also offer consulting and training services.

03. Core competencies

We know the domain. We understand technology. The combination makes for a winning combination. We offer solutions built around our products. That sets us apart from Indian IT services companies. Many of them have forged enduring partnerships with us, many of the world's most reputed firms seek us out. We have established deep relationships with marquee clients for whom our work has been transformational. What makes us different is our domain expertise, market presence, geographic reach and differentiated service offerings. We are led by a senior managerial team possessing a wealth of relevant sectoral experience.

04. Worldwide presence

- We are headquartered in Navi Mumbai, India, with subsidiaries in Italy, Singapore and USA.
- We have served customers across 4 continents:

In the Americas: Canada, USA

In the Africas: Ghana, Mauritius and South Africa

In Europe: England, Ireland, Italy, Macedonia, Poland and Turkey

In Asia: India, Jordan, Kuwait, Malaysia, Nepal, Qatar, Saudi Arabia, Singapore, Thailand and UAE

05. Reputed partners

Accounting firms

- Deloitte • KPMG • PWC • E&Y
- Grant Thornton

IT firms

- Crimson Logic, Singapore
- EOH, South Africa • FAPCO, Kuwait
- FIT, Turkey • Formis, Malaysia • HCL Infosystems • HP • IBM • Infosys • LTI
- MNS, Mauritius • NVision, Russia
- Tech Mahindra • Wipro • Zensar

06. Marquee customers

BFSI regulators

- Nepal Rastra Bank • Bank of Mauritius • QFCRA, Qatar • Reserve Bank of India

Capital market regulators

- Amman Stock Exchange • Bombay Stock Exchange • CMA, Kuwait • ESCA, UAE • SEBI • Tadawul, Stock Exchange, Saudi Arabia

Business registries

- ACRA, Singapore • CBRD, Mauritius
- CIPC, South Africa • DBD, Thailand
- MCI, Saudi Arabia • SSM, Malaysia

Enterprises

- Bajaj Auto • Bata • HDFC Bank
- Goldman Sachs • Kotak • Larsen & Toubro • Reliance Industries • State Bank of India • Thermax • Trent

07. Not a software services company or a KPO

We are not an IT services company; we are a software products company. Our revenues come from selling our software and data products, not from developing software for those who ask us to do so. We are in the process of moving most of our offerings to Cloud, from where we licence our software to users who pay us every time they use it. We offer Software as a Service (SAAS), we also offer Data as a Services (DAAS). We are different.

08. Our listing

The company floated an IPO in October 2017 and is listed on the Bombay Stock Exchange. On March 31, 2018, the company's market capitalisation stood at ₹84.86 crore.

Our F2017-18 performance in brief

Standalone

- Total revenues for the fiscal year ending 31st March 2018 stood at ₹35.33 crore, an increase of 29% over the total revenues earned during the fiscal year ended 31st March 2017, which stood at ₹27.32 crore.
- The company turned around an EBIDTA loss of ₹2.24 crore in H1, 2017-18 into an EBIDTA profit of ₹3.40 crore in H2, 2017-18.
- The company followed up a net loss of ₹5.49 crore in H1 with a profit of ₹0.60 crore in H2.
- Export revenues strengthened by 11% – from ₹21.15 crore for the fiscal year ending 31st March 2017 to ₹23.47 crore for the fiscal year ending 31st March 2018.
- Rupee revenues strengthened by 90% – from ₹6.02 crore for the fiscal year ending 31st March 2017 to ₹11.44 crore for the fiscal year ending 31st March 2018 – to a large extent on the back of the GST compliance platform roll-out.

Our story

– Letter from the CEO



Dear shareholder,

Since this is the first time I am writing to you after we listed on the BSE, I thought of sharing the story of the journey of IRIS with you. It also gives me an opportunity to thank the many people who have guided us as we have tried to make a difference to the world around us.

Making a difference. That's what our goal is. And that's what our business is all about. That is what we strive to do every day to the people in the world around us. Find purpose, the Mahatma said, and we have done just that. The means shall follow, the Mahatma had gone on to say. With profound apologies to the Mahatma, we have modified it a little. A company that finds purpose will discover that business follows. Profits too shall follow. The bania in the Mahatma would have approved, I think.

Technologies may come and go but so long as what is being served is useful to people and makes a difference to their lives, the business will stay relevant. Today, we make a difference to over two billion people in the world. It helps the math to have some 1.2 billion of them residing in

India, but hey, that is our karmabhoomi, our work place. How do we do that? By equipping regulators across four continents with tools to keep a close eye on those that they regulate. By helping these regulators collect the right data and collect it right so that they may make sense of it.

Allow me to share a couple of examples.

The NPA problem in the Indian banking system has been engaging the attention of all of us in India for quite some time now. But most of the analysts do not seem to know that the problem came to the fore because of the steps taken by RBI for which they need to be given credit. RBI has simply made it expensive for banks to hide their NPAs by asking banks to report in XBRL. It is a matter of pride for us that the reporting platform is built around iFile, one of our products. I keep reminding my young colleagues that our work with the RBI is crucial for keeping the Indian banking system safe, so that their grandparents can sleep better at night, knowing that RBI now has the means to stay on top of the system.

In a Middle Eastern country, our work helped stave off a market crisis. The capital markets regulator who spotted unusual activity in the market, managed to rein in the mischief makers before market integrity could be compromised. Our solution helped the regulator connect the dots with little delay, allowing them to act swiftly.

Our early investor

I can tell a story or two from each of the 22 countries where we have done something or the other. But I must tell you that we would not be around to tell you all this today without the support of Rakesh Kathothia and his Subhkam Ventures who may have had no clue as to what we were talking about when we approached them in 2009. But on the recommendation of UR Bhat, they invested in our company. Nobody knew about XBRL in those days and I am not sure if many do even now, but for Rakesh Kathothia to invest in us was a huge leap of faith for which I owe him and UR Bhat a deep debt of gratitude. His fund continues to be invested in IRIS and it is our hope and desire that when we emerge as a successful Made in India story on the world stage, he will still be around as a shareholder to celebrate with us. I assure him that that is not going to be an interminable wait. I cannot overemphasise enough the role of our independent directors who served on the board and those that are on the Board today. Mr Pradeep Mallick who was the first Chairman of our Board of Directors and Mr Narayan Seshadri who chairs the Board now, have played a huge role in ensuring that board discussions were meaningful and on point.

I can tell you with confidence that tomorrow for us looks good. Revenues are rising again but what is significant is that most of our revenues today come from software products and data.

When my colleagues stepped up

It is almost a cliché to talk about how a company looks at its employees as an asset. It is my colleagues who saved the company when it was going through its worst crisis. Today, we will not be within striking distance of greatness but for my colleagues. They kept the faith which in turn kept us afloat. As we were transforming from a services company in the KPO space to a products company, liquidity was tight. We could not pay salaries on time and often, not in full. That is when my colleagues chipped in. By taking salary deferments. By taking salary cuts. By personal sacrifice, the value of which is simply immeasurable. Today as we see good days ahead, we recognise that it is because of them that we have emerged stronger. I hope it tells you something about the character of our company, which is today your company too. We still owe them money against past salaries which we have promised to clear from the surpluses we hope to generate in the days ahead. We have already made a beginning and have started clearing the dues.

My co promoters & I

On our part, the three of us who lead the company made sacrifices too. Whenever there was pain, we took as much of it as we could upon us. Tomorrow when there is pleasure to be derived from a rosy financial situation, we will ensure that our colleagues are the first to benefit. As CEO, I have maintained that I will not take a salary until all employee dues are cleared. It is important to lead by example.

While I am the CEO of IRIS, sharing the responsibilities with me are my fellow travellers on this journey, K Balachandran (Balu) and Deepta Rangarajan (Deepta). Balu is also the CFO apart from being the much more grounded than me. Every company needs a Balu. Deepta handles HR and is also President of the International Business. Some of you may have read about her in that runaway best seller, 'Stay hungry Stay Foolish'. Do look her up, she is on page 272 in the English edition. I am married to her.

Both Balu and Deepta, unlike me, are engineering graduates with an MBA from an IIM to boot; Deepta from Ahmedabad and Balu from Bangalore. Deepta and Balu worked at CRISIL before turning entrepreneurs. I studied economics at Yale, worked for the World Bank in Washington DC as a Consultant before returning to work in the media, first with Economic Times and then with Business India. Somewhere along the way I was also part of the Indian cricket establishment as a member of Jagmohan Dalmiya's team. At IRIS, most of my work is around strategy. That means that while Balu and Deepta handle today, I handle tomorrow.

I can tell you with confidence that tomorrow for us looks good. We have put the crisis that gripped us from 2014 onwards behind us. Revenues are rising again but what is significant is that compared to four years ago, most of our revenues today come from software products and data, including SAAS and DAAS. Moreover, after being in the red for an extended period, we turned profitable in the second half of the financial year gone by. The IPO was a watershed in our history and the confidence you showed in us has put the spring back in our step. Thank you.

In the MDA section of the annual report, we discuss the business in some detail.

The fastest IPO ever

It was on August 27, 2017 that the thought of going public even occurred to me in the course of a meeting Balu and I were having at the Oberoi Mall in Goregaon. Some 33 days later, on September 29 our IPO opened for subscription. Shares of IRIS listed on the BSE on October 11. I am not aware of any company in India or anywhere in the world that has gone public in so short a time.

If this happened without a hitch, that's because we have always been ready for public scrutiny. From the day we were founded, we had been keeping ourselves prepared for this event. Whether it was about having adequate representation of Independent Directors on the Board

or having a woman Director (this was easiest condition to fulfill with Deepta as promoter) or having internal audit, we were not just meeting, but even surpassing, the governance standards prescribed even for listed companies.

Why did we go public, I am asked all too often. Aren't you too small, could you not have waited a little longer so that the company gets to be a certain size? And how could you even think of going public when you were posting losses? Very valid questions, all.

When Dhirubhai Ambani guided me

Yes, we are small. Yes, we were in the red when we went public. We are still in the red. But we are working to change all that. Our financial worsened from 2014 onwards as we tried to reinvent ourselves. We were a services provider, we have now transformed into a software products company. The times of transition were tough and from being profitable, we slipped into the red. We tried to raise funds to fund the transition but we did not succeed. But company performance wise, we knew we had hit rock bottom, the only way was up. But we also knew that we needed a helping hand to dig ourselves out. That is when I recalled a conversation that I had had with the late Dhirubhai Ambani many many years ago, long before IRIS. The best time for a company to go public is at its nadir provided the promoters are confident of a turnaround, he told me. That way the subscribers to the IPO are certain to make money, he had added. Those words stayed with me. If we had any doubts about going public, Dhirubhai Ambani's advice clinched it.

But would investors subscribe to the IPO, we wondered. But we need not have worried. Ten phone calls later, we had the commitments. As it turned out, each one of them invested in the IPO, marquee investors all. It helped greatly that we were a well known company, each of them knew us well too. It must also have helped that we were pricing the issue more attractively than what the performance of

our global peers would have justified. It must also have helped that they had seen us transform over the years, so they knew that we had what it takes to get to the next level. Today, as we stand on the verge of what we hope will be a period of sustained high growth, I thank every one of them for their help. I thank you and each and every one of our 500 + investors without whose help we would not be here today. You helped us dig ourselves out of the hole. Thank you.

What's the significance of the IPO to us, you may ask. It is because of the IPO that we could start paying salaries on time. It does not matter how great a company's products may be, it does not matter how wonderful a company may be but if one does not pay salaries on time, employee morale is affected. From the day of the IPO, we have not had to delay our salary at any time. The IPO also validated for the employees the confidence they had in their own company. It was a powerful message and that has done more to morale than anything else. Thank you investors. And thank you, colleagues for staying the course. We could not have done this without you. Each of you.

The beginning of our transformation

Looking back, it may seem that our problems started in April 2014 when we decided to exit our services business. We had just closed the year with revenues of just under ₹68 crore. We were profitable, having posted operating profits of just under ₹12 crore. But we were not happy. One, because, while our revenues may have grown 10 % from ₹62 crore in the year preceding, profits were lower. Most of our revenues had been coming from converting documents of US companies into XBRL. We were partners with a US company, Merrill Corporation, who would ship to us documents of their clients which we would convert and send back to them for filing with the US SEC.

But we had seen this coming for some time. It was clear to us that with automation, more and more customers would stop outsourcing this activity to a third party. It was also clear to us that even those that continued to outsource would seek to get better pricing. We could not see how this business could grow. For one, we had an exclusive arrangement with Merrill Corporation who, as we could see, were losing customers to a competitor of theirs who offered a semi-automated

self-filing solution. Then there were other competitors who were simply offering cheaper solutions. We did not see a future in this business, but instead saw it as one where revenues had already plateaued and could even fall. Profits had started declining as margins got squeezed with Merrill asking us to drop prices, which our cost structures did not permit. We were a premium provider and the quality of our output was exceptional because of our pool of experts, who came at a price.

So, between us and Merrill Corporation, we agreed to amicably terminate our relationship. We continued with the relationship for another year as Merrill Corp took the work in-house to their facility in Chennai. At the same time, our work began with a single-minded focus to shed the services tag and become a software products company. The business was not new to us. We knew what had to be done.

BSE, our 1st client, then came SEBI

Truth be told, we had been planning for this day right from 2006 when BSE became our first client for an XBRL reporting platform. Subsequently, at SEBI's prodding, it transitioned into the Common Filing and Dissemination Platform (CFDS). The early wins at BSE and the endorsement of SEBI won us a mandate from the Reserve Bank of India (RBI) and the Accounting & Corporate Regulatory Authority of Singapore, both of whom continue to be clients. These big wins opened up the world for us. And when RBI went on to win a global award for the XBRL implementation even as the Singapore example began to be held up as the one to emulate, our belief that we could hold ourselves well on the world stage was validated, our confidence bolstered.

Yet, through all this, we neglected to productise our offering as the profitable services business probably lulled us into a false sense of security. As we disengaged from Merrill Corporation, we understood that we could not do services and products under the same roof. They were as similar as chalk and cheese. We have been asked if we could not have had it in a separate subsidiary. Perhaps yes, but without management oversight, a business with a bleak outlook for growth would simply have died a natural death and maybe even a painful one. That is how we chose to exit the business.

The lessons from running a services business were well learned. Customers

for whom we would convert documents would ask us if there was any point in this whole 'XBRL nonsense' as they liked to refer to it. We recognised the need to show them value if we were to build a sustainable business. I recall my first meeting at the US SEC, when the then Head of XBRL USA asked me what it would take for XBRL to become ubiquitous. It has to be useful, I told him and if the expansion of the XBRL footprint in the world has been slow this is the reason. The usefulness of XBRL has not been demonstrated sufficiently to businesses for them to view it as something of value, something whose power they can harness for their own benefit. But in country after country, where we have won mandates, we have tried to demonstrate the benefits of structured data. In so doing, we became possibly the only company in the world with offerings straddling the entire information supply chain. 'Collect' for regulators, 'Create' to serve the regulated and 'Consume' to serve the demand for data and analytics became the three divisions of our company.

Building for the future

But is XBRL enough to build a company of a significant size? The answer is a resounding yes. But the fact remains that many regulators have chosen to adopt other data standards. Like JSON was adopted for GST filings in India. We recognised that a regulator may choose a standard other than XBRL too, so we developed competencies with other data formats too. We tweaked our products accordingly. Our mission is to be a company with products for the creation, submission and consumption of data following open standards.

The reason for our existence and optimism about our future stems from the recognition that the explosion in the volume of data worldwide will leave decision makers paralysed if data sets do not 'talk' to each other, for which data needs to be structured using open standards. Because getting the data right helps lay the foundation for Industrial revolution 4.0. That is precisely what we are doing. That is what sets us apart from others. That is what gives us hope and allows us to hold out the promise of a profitable future as a shareholder of IRIS.

Thank you for embarking on this journey with us.

Sincerely yours,
S Swaminathan

Initiatives to globalise data standards

Data standards may have been around for a while, yet the fact remains that their adoption requires a great deal of evangelisation among policy-makers. Over the years, we have engaged with them deeply to present the case and to outline the benefits. We would also use the opportunity to present the credentials of IRIS as a trusted partner for so many regulators worldwide. Here are a few memories from these meetings:



With His Excellency Mikhail Myasnikovich, Speaker of the Council of Republic of the National Assembly of the Republic of Belarus. A former Prime Minister of Belarus and now the Speaker of the National Assembly, Mr. Myasnokovitch was appreciative of the benefits that could flow to Belarus. Next step: We will conduct training programmes for the regulators.



With His Majesty King Abdullah II of Jordan after sharing with Him, the significance of the move by the Amman Stock Exchange to launch their XBRL-based reporting platform using iFile. Shortly after this, the Central Bank of Jordan announced that they too are going to adopt XBRL.



With with His Excellency Zied Ladhari, the Tunisian Minister of Development, Investment and International Cooperation who was convinced that his country could benefit greatly from creating a robust data framework using XBRL. Next step: He will put together an inter ministerial Group to get the process under way.



At a Conference in Algeria to promote Indian business interests. Following this, the Algiers Stock Exchange and the Bank of Algeria have asked how they should proceed. We will be conducting training programmes for their staff.

The journey begins

Edgar Online, USA outsources XBRL conversion to IRIS to create its Data repository

Bombay Stock Exchange accepts IRIS proposal to build India's 1st XBRL filing platform

2005
-
2009

Early days

Reserve Bank of India adopts XBRL for Capital Adequacy Returns: IRIS wins project to build the RBI platform

Our 1st international foray:

Implemented XBRL for Johannesburg Stock Exchange

1st XBRL implementation for business registry in Macedonia propels the country to the top 5 in Ease of Business Rankings.

KPO grows

US SEC announces XBRL mandate. Merrill Corp, USA, picks IRIS to offer XBRL conversion services to their clients.

HMRC UK announces iXBRL mandate. Deloitte UK picks IRIS.

2009
-
2013

Going global

More regulators adopt XBRL, more clients for IRIS including Emirates Securities & Commodities Authority, Saudi Arabia's Tadawul Stock Exchange, Singapore's ACRA,

RBI widens the ambit of XBRL reporting

Banks need tools: iDEAL launched to automate XBRL report generation for submission to RBI

Product buildout

iFile, for regulators

IRIS CARBON, enterprise SaaS offering for XBRL creation.

DCP: A data repository built as a launch pad for a DaaS offering.

XBRL Validator: For regulators, for investors.

2013
-
2017

Expanding client base

iFile implemented for regulators in Saudi Arabia, Qatar, Thailand and Mauritius

iDeal wins its 100th customer, gets first its international client: AfrAsia Bank

e-audit solution launched in Turkey

FATCA reporting solution launched for BFSI sector

Products gain traction

iFile Product Suite v4 deployed. Results in shorter implementation cycle, higher margins.

IRIS CARBON acquires customers in US, Italy and South Africa.

IRIS GST suite of software products to serve filing needs of Indian enterprises to comply with the new GST law in India. Marquee customers sign up, including Bajaj group, L&T and Thermax

2017
-

Ready to scale

More countries, more customers, IRIS enters Malaysia, Kuwait, cements place in South Africa

iFile launched as a SaaS offering for the first time

IPO on the BSE

Turns EBITDA positive in H2, green shoots visible.

The management's overview



K Balachandran

S Swaminathan

Deepta Rangarajan

This is the first time that we are communicating with you after we became a listed entity following our IPO in 2017.

The evolution of regulatory compliance

Our business revolves around regulators and regulation; we possess software products for regulators as well as the regulated. We help regulators collect data, we help regulated entities create data for submission to the regulators who oversee them. Last, but not the least, we offer tools to make sense of the data. A large part of our work revolves around the business reporting standard called eXtensible Business Reporting Language or XBRL but we do a great deal of work outside of XBRL too.

In the analog world

Let us start with regulators. Every country has many regulators: some at the centre, some at the state level and some local. Each regulator has a sphere of operation with a responsibility for oversight of players conducting their business in that area and consequently, the right to ask these players for data. Each regulator has their own way of asking for data, in their own formats and at a frequency of their choice. Timeliness, apart from completeness of data and its

integrity are issues that every regulator is forever grappling with.

It must have been difficult in the olden days when it was all paper. The regulated entities had to submit data in forms prescribed by the regulator, which had to be filled out by hand or typed. For many regulators in India and in many parts of the world too, paper forms continue to be the order of the day.

With the arrival of the computer

With the arrival of the computer, some things changed but there was much that did not. Some regulators retained the forms that they used to have but now asked for the particularly elaborate data sets on floppy disks or tape drives. For example, a central bank would ask a bank to submit data pertaining to branch wise deposits and advances on a tape drive as the sheer volume was too large to handle. And so on.

The internet is born

Then came the internet and with it came online submission. But in reality all that happened is that the offline system moved online. Most regulators asked for the same forms to be filled out, signed by an authorised person and then sent by email to the regulator. The only benefit that was seen initially is the speed of submission and the physical convenience of filing from one's own environment without having to visit the regulator's offices.

It was inevitable that the world would realise that the emerging technologies in a world going digital had more possibilities to offer. It was possible to now view the data being submitted independent of the document format. If submissions were being asked for in PDFs duly signed, it was for the regulator to be satisfied of the sanctity of the document and not allow a situation where the regulated would disavow the submission. But new technology allowed data to be encrypted and in this world of digital signatures, the submission was certainly more tamper-proof than it has ever been. The wisdom of asking for data instead of documents gradually sunk in and the world started moving from documents to data. Things have never been quite the same since.

No documents please, give me data

With data moving centre stage, questions started getting asked about how data should be submitted. It should be machine readable, it should be interoperable and so on it went, leading to the emergence of data formats and data standards. Initially, every IT vendor worked with their own proprietary formats and standards. But this was really an inefficient way of doing things and as the open source movement took off, so too did open data standards and formats. New improved formats emerged as and when old standards were

found to have limitations. At least two have stood the test of time: FIX and SWIFT. The Financial information Exchange (FIX) protocol has emerged as the preferred messaging specification for trade communication in the financial securities industry. Equally, SWIFT is the electronic payment messaging system used by banks worldwide. Both standards have survived also because they have adapted with the passage of time through changing business processes and business models in user institutions; they have even survived technology upheavals.

Data standards emerge

HTML, which is part of the vocabulary of anybody who has accessed information on the internet, is the progeny of SGML or Standard Generalised Markup Language developed by IBM in the 1970s. Some standards were developed for use in a specific industry like Acord, used in the insurance industry or RIXML, which was born to meet the needs in the investment research industry.

Through all this, one thing was clear: standards are here to stay. Indeed, over the last few years, the pace of adoption of open standards has only accelerated. As the volume of data exploded and as the world tried to grapple with high frequency data, the need to structure data using open standards was never more clear.

It is not that regulators do not follow standards, it is just that each of them follows their own standard. It should be self-evident that when there are many regulators for a business enterprise to deal with, there is merit in all of them following a common uniform information reporting standard. Regulators will benefit from being able to share information with each other more easily. That means that they can initiate co-ordinated action against errant players, if warranted. For the regulated, the compliance burden will come down, leading to significant savings in costs of compliance and, consequently, an improvement in the ease of doing business. While the benefits may seem obvious and have even been proven, regulators across the world continue to work in silos. This is changing, albeit slowly.

Compliance is burdensome

We will use our example to illustrate the point about having to deal with multiple regulators by relying on IRIS as a case study. As a company based in Navi Mumbai in

the Indian state of Maharashtra, we have to deal with three sets of regulators: Central, state and local. We are accountable to more than 30 regulators, who, between them, require us to submit data at least 100 times every year, if not more.

For example, to the Government of India, we submit data on Income Tax, GST, Provident Fund etc. As a public company, the listing agreement with the BSE requires us to make disclosures to the stock exchange. As an exporter, there are disclosures to be made to RBI.

At the state level, the Maharashtra government requires us to pay Professional Tax and submit a monthly report. The state government also requires us to make a whole set of disclosures pertaining to the staff employed in the organisation.

And finally, we have Navi Mumbai Municipal Corporation (NMMC), the local government, whose nod we need to operate a business under the provisions of the Shops & Establishment Act.

Some of our submissions are in a standard called XBRL, some in XML, to the GST in a format called JSON, even as we submit much else in free text. We submit our annual report to the Registrar of Companies in XBRL and to the stock exchange too. But we have to do it separately. In this 21st century, many regulators continue to ask for submissions in paper forms that need to be filled out. It is simply inefficient, very inefficient. There is a case to be made for the tremendous savings that could accrue to a government from a unified approach. In Australia, for example, the tax office alone has projected a saving of over one billion Australian dollars (that is ₹5,000 crore) from adopting an approach such as this. This is just the savings to the government alone and does not include the savings that could accrue to enterprises.

Then there is the saving that could accrue to the regulated entities. The new problem areas being addressed within countries and across countries has to do with fragmentation in regulation. A study published by IFAC estimates the cost of this to be \$ 800 billion, on account of financial regulation alone. The cost, if a holistic approach were taken, would be manifold.

Compliance software is great business

But we are not complaining. Because it is this inefficiency that throws up the opportunity we are building our business

As the volume of data exploded and as the world tried to grapple with high frequency data, the need to structure data using open standards was never more clear.

around. Such efficiencies may not last forever and will not, but until such time as they do, the business stays relevant. And when this inefficiency is smoothened out, who is to say that some new inefficiency will not manifest itself? One can only marvel at the prescience of John Maynard Keynes who saw it all as digging holes and filling them up again, only to start digging again!

Data standards are the way many of these efficiencies are being addressed. When the Enron problem cropped up, several technologists and accounts applied their minds to come up with a solution to help detect such frauds early. That is how XBRL was born.

XBRL is here to stay

XBRL is a form of XML but delivers data much richer than XML and hence goes way beyond. With XML, the computer can figure out what the data is, but with XBRL, the computer knows what the relationships may be between the various data elements in the submission, making it richer. For example, an XML file will let the computer know where in the file a company may have reported 'Profit after tax', the XBRL file will tell the computer additionally that 'Profit After Tax' is 'Profit before Tax' minus 'Taxes'. With this knowledge, the software can check the data for errors. This ability to validate data is why XBRL is rapidly emerging as the preferred standard for regulators worldwide.

Which is why, acting on the Kotak Committee recommendation, SEBI has asked all public companies to make their disclosures in XBRL. RBI is expanding the mandate to cover banks. European regulators have directed all member countries to embrace XBRL by 2020. In USA, all government grants reporting is beginning to move to this structured format following the signing into law of something called the Data Act by President Obama, the law having bipartisan support. At least one regulator in as many as 60 countries around the world has adopted it and the rush to embrace it is visible. Assuming 10 regulators per country across

We do not simply see ourselves as a company in the XBRL space but in the larger world of unstructured data which our tools help structure.

200 countries in the world, still leaves an unserved demand from more than 1900 regulators, each of who can benefit from deploying our software product that can help them receive data in XBRL.

And if that's not all, each of the reporting entities need tools to create data for submission. For example, in India, some 30,000 companies are reporting to MCA in XBRL. If the mandate were to be expanded to cover the entire universe of 12 lakh companies, that is a big enough opportunity in itself for IRIS to tap. If all these companies are reporting in XBRL to the regulator, they would also need tools to benefit from XBRL reporting, throwing up business opportunities for IRIS' business division that we call 'Consume'.

We are not just XBRL

While much of our initial work is around XBRL whose passionate evangelists we may be, we are not unmindful of the benefit other formats offer. We know the limitations of XBRL. For one, it is viewed as being complicated and given the richness of the data, the XBRL file turns out to be heavy and may end up consuming not just bandwidth but also processing power at the sender and recipient ends.

Thus, when GSTN, after initially toying with the idea of implementing XBRL, decided to finally settle for JSON, we were among the first to invest in the area. Similarly when the Financial Intelligence Unit wanted data in XML, we developed a utility, which is used by many banks for the ease of its use, even though a freeware is available.

We do not simply see ourselves as a company in the XBRL space but in the larger world of unstructured data which our tools help structure. That then is our canvas. That is our playground, the world of unstructured data to which we bring structure, with our software products. Suffice to say then that we are much like the oil refinery which takes crude and throws out products the world can use - from tar to gas. Which is why we say that if data is the new oil, we are its refiners.

The Fourth Industrial Revolution

The foundation for the fourth Industrial

Revolution is data. As South Africa's Minister of Industry, Rob Davies, said at the launch of CIPC's new XBRL filing platform, which runs on IRIS' iFile technology, "The essence of the Fourth Industrial Revolution is about large data management and application, where technologies can be applied in various ways across all forms of production and service activities as well." A necessary condition to achieve this is for data to be structured ab initio in open data formats.

The needs that we seek to serve are, more often than not, thrown up by regulator and government led initiatives. Today, more regulators in an increasing number of countries are looking to move from a paper-based analog world to a digital world where it is all about data. Regulators are trying to play a balancing game. They are seeking to tighten regulatory oversight while being mindful of the need to reduce compliance cost to enterprises. A one shoe fits all sizes approach cannot work. Which is how the experience of IRIS in countries at different levels of technology penetration becomes relevant. After all, products from the IRIS stable have been deployed in countries as far separated in technology adoption as Singapore and Nepal.

Suptech, Regtech, Fintech

Within the Fintech industry, two sub segments that are carving out a place for themselves: Suptech and Regtech. Suptech refers to the set of technologies deployed by a supervisor to meet the oversight needs of regulators, from receiving data from those that they regulate, validating it, analyzing it to take actions as called for to preserve the integrity of the edifice the regulator may have been vested to protect. Regtech, on the other hand, refers to the technologies used by the regulated to generate data for submission to the regulator. IRIS has products for both segments. Both segments hang by one thread that runs through them: structured data in open formats. In many cases it is XBRL, just as equally it could be in another form of XML or, as in the GST case, JSON. The world over, it is now appreciated that in this era of information explosion the need for improving the way data is structured ab initio cannot be over emphasised.

There is a third angle to this story, which is possibly of much greater significance. Because, riding on Suptech and Regtech, is the opportunity for technology solutions for data and analytics.

An example will serve to explain the three

elements of this larger picture. When RBI seeks a platform to receive filings from banks or when GSTN sets up a platform for enterprises to file their GST returns, the solution would be Suptech.

Thus, iFile, the IRIS product used by regulators across the world, is a Suptech product. Similarly, the software project executed by Infosys to develop a platform for GSTN to receive GST filings would fall in the Suptech category.

When companies in India file their documents with the Registrar of Companies (RoC) or when filers generate their GST filings, the software used in either case would be classified as Regtech,

And there is all the data that the filings generate. Software is needed to analyse the data on a standalone basis and by mashing it with other data from the same regulator or other regulators. This is the broader data and analytics opportunity where everybody is a user, be it the regulator, the regulated or others. Data is necessary for any decision-making: from investment to trade and everything else. While many fintech firms are investing heavily to create software that will do all this, at IRIS we believe that this an opportunity where data and software sit together and are approaching it accordingly.

Validated numbers are hard to come by that provide a clear understanding of the size of the Suptech or the Regtech opportunity. That may be so, but even back-of-the-envelope calculations reveal that the market is sufficiently large to accommodate IRIS' own growth ambition and aspirations.

The opportunity is huge & it is global

Between Suptech and Regtech, the various segments of the market have traditionally been clubbed together to be called GRC or the market for Government, Risk & Compliance solutions. The estimate of the market size has seen a huge variation.

More estimates are available for Regtech than Suptech. The way we see it, with 200 countries in the world and no less than 10 regulators in each, the opportunity size, with even a low 0.5 mn USD spend by a typical regulator, the opportunity adds up to US \$ 1 billion or ₹7,000 crore. Even after factoring in that not all countries and not all regulators in each of the countries may be keen and certainly not to spend even this much, what is certainly evident is that for a company of IRIS' size, that is a lot of market for the product iFile.

The Regtech opportunity is even bigger. Thus, for instance, a report by California-based Grand View Research published in July 2018 projects that the market for Enterprise Governance, Risk and Compliance solutions will be worth \$64.61 Billion by 2025, growing at a 12.8 % CAGR. Yet another firm, the Illinois-based Markets and Markets says in its July 2017 report that the eGRC opportunity which was US \$ 22.14 billion in 2017, will grow at a CAGR of 14.7% to US \$ 43.87 billion by 2022. eGRC refers to the demand from Enterprises for Government Risk and Compliance solutions, or Regtech solutions.

The numbers on the data business are even more staggering. The Harvard Business Review says that during 2017, the big data and business analytics space generated USD 150.8 billion in worldwide revenues, growing from USD 130.1 billion in 2016. Looking ahead, this space is projected to grow at a CAGR of 38.6% till 2020.

Losses from non compliance

There is another way to look at this. A vast majority (83%) of 150 North American and European companies (with revenues >\$1 billion) surveyed by the Harvard Business School were found to be generating losses amounting to USD1.38 billion per annum on an average. Interestingly, these losses were derived not from below-par products, inefficient marketing or supply chain discrepancies but from regulatory transgressions. The cost per incident stood at USD325 million while the average total loss per annum stood at USD260 million (0.7% of annual revenues) with regulatory issues being the most common cause of alarm – a stunning 44%. This indicates the relevance of the IRIS business model and confirms that we are merely beginning to scratch the surface of opportunities.

When we say that our aspiration is to grow annually by 50%, it is clear that the market is big enough to support this aspiration.

Emerging opportunities

What makes this space attractive is that even as there is an information explosion on the one hand, there is a relative unpreparedness on the part of a number of countries in the management of unstructured data. There is a growing conviction that the more competitive countries of the future will be the ones that leverage their information flows better. The same applies to companies, where the conversion of unstructured data into

actionable intelligence will translate into informed decision-making on the one hand and rigorous compliance to regulatory norms on the other.

At IRIS, we believe that both these realities are increasingly critical: there is a formidable competitive advantage being derived from an increased reliance on data analytics. The convergence of quicker computing speeds and lower computing costs have made it easier to arrive at a more accurate understanding of marketplace realities.

There is another factor that makes the case for data structuring compelling. With the global economy growing swiftly, there is a premium on the need to report periodically to regulators with the objective to keep the system immune to financial risks. Corporates are convinced that regulatory compliance (a part of the overarching governance movement) represents the bedrock of the modern world. Each of these factors – data analytics and regulatory compliance – are driven by a fundamental application of data structuring services comprising the use of a clutch of information standards such as XBRL.

Our competitive edge

IRIS is the right company at the time in the right place. We have created an effective moat and intend to build on this advantage. We have carved out a position of respect for ourselves in the business of compliance reporting thanks to our enduring competence in the XBRL format, which is emerging as the benchmark when it comes to financial reporting. We are a unique player in our space in the sense that we enjoy an integrated presence across the 'Collect, Create and Consume' functions of the supply chain. This allows us to reinforce our reputation as a one-stop shop.

Our proven expertise in the realm of data refining allows us to do more in less time, compared to our competitors. Since we are headquartered out of India, we are able to make the most of a superior price-value proposition that the country offers, making us an attractive proxy of the 'Make in India' story. The culture of austerity we have fostered at the company has translated into an ability to tide over sectoral troughs and remain agile enough to be opportunity-ready.

We are pleased to report that our strength does not begin and end with our professional competence. We enjoy the trust of marquee customers, locally and

We are a unique player in our space in the sense that we enjoy an integrated presence across the 'Collect, Create and Consume' functions of the supply chain.

globally. The result is that we believe that we will not only be able to derive greater revenues from our existing clients but also widen our client base across the globe, going ahead.

Strategy in action

At IRIS, we have positioned ourselves as a corporate with a difference. We are part of a handful of global companies with a pervasive presence in the area of regulatory reporting, an area where we intend to deepen our presence.

Even as we intend to continue addressing the regulatory side of the value chain, we will consciously focus on graduating to the non-regulatory side as well, capitalising on the overall traction that digital reporting is enjoying. We intend to introduce solutions that can meet the growing demand for creation, presentation and analysis of critical data.

Meanwhile, we will continue optimising our fixed costs, strengthening our order book and widening margins. We will continue to embark on product-led growth in a promising space, which promises us relatively low competition and increased offtake. We will continue to extend into adjacent areas, operationalising new income streams to enhance revenues.

We intend to invest more in marketing our products and services across the world to enhance visibility and accelerate order book accretion. Specifically, we intend to market our platform iFile to regulators, who are making their first foray into the realm of digital reporting. We intend to widen the geographical presence of IRIS Carbon® and strengthen ties with marquee customers through IRIS GST.

Outlook

The reasons cited above make us optimistic of the company's prospects.

We intend to scale our order book and strengthen our managerial bandwidth today to gain a distinctive operating leverage in this business of tomorrow.



Q: Were you pleased with the way the company addressed emerging opportunities during FY2017-18?

A: There are different dimensions of our performance during the year under review. Possibly the biggest achievement was getting listed on the stock exchanges, which enhanced our visibility and confidence across the eco-system. The IPO infused much-needed cash into the system, which helped us retain people and strengthened our ability to address emerging opportunities more competently.

Q: How did the company perform from a financial perspective?

A: We performed creditably during the year, increasing our revenues by 29% to ₹35.33 crore from ₹27.32 crore during FY2016-17 on standalone basis and from ₹27.57 crore during FY2016-17 to ₹35.59 crore during FY2017-18

on a consolidated basis. The growth of the company was the result of a progressive strengthening of our business model. I am also pleased to state that following an improvement in half-yearly revenues, our EBITDA loss of ₹2.25 crore in H1 transformed into an EBITDA profit of ₹3.41 crore in H2 on a standalone basis and from an EBITDA loss of ₹2.18 crore in H1 to an EBITDA profit of ₹3.08 crore in H2 on a consolidated basis. We believe that this turnaround will be reinforced from this point onwards, improving our overall performance.

Q: What were some of the ways the company strengthened its business during the financial year under review?

A: One, our export revenues strengthened by 11% – from ₹21.15 crore during FY2016-17 to ₹23.47 crore during FY2017-18. Our domestic,

though to be precise I must call it Rupee market, revenues surged 90% – from ₹6.02 crore during FY2016-17 to ₹11.44 crore during FY2017-18 (revenues from the implementation in Nepal are in Indian rupees). Two, we introduced IRIS GST, expanding our portfolio of structured data solutions and signing marquee Indian clients like Larsen & Toubro, Bajaj Auto and Thermax, among others. I can confidently state that we finished FY2017-18 with greater traction and a more favourable outlook than we had started the year with.

Q: What initiatives were undertaken by the company following the IPO?

A: One of the more decisive initiatives we embarked upon was appointing a senior executive to work full-time in the US to expand our footprint there. We also bagged a number of contracts following the introduction

of IRIS GST. The fact that prominent brands like ICICI Bank, Grant Thornton and HSBC Bank began to market our GST products only goes on to validate the quality of our offerings. We worked closely with governmental agencies in order to bolster system-wide GST compliance. Our SBU-driven structure ensured a seamless delegation of responsibilities and enhanced our accountability. I believe the benefits of these initiatives will start becoming apparent FY2018-19 onwards.

Q: Is the company now in a better place to address the opportunities of the future?

A: We are more upbeat about our prospects today than we were earlier for pertinent reasons. XBRL adoption is gathering momentum. The European Union has mandated XBRL adoption across Europe by 2020. In the US, several states are taking this route after the Data Act became law with Florida among the early

movers. There is a growing relevance of XBRL-centric data solutions across more countries and deeper penetration of such solutions within some of the countries that have already adopted them. In such a scenario, the enhanced visibility of our offerings among prospective customers should serve us in good stead.

Q: How does the company expect to evolve in the near-term?

A: We are working on a five-year vision document to enunciate how we can graduate from ongoing tactical management to a state of strategic stability. The promoters intend to gradually shift from a hands-on engagement to a mix of strategic interventions and ongoing people management. We aim to hire more people at the senior managerial level to enhance managerial depth. We are also examining inorganic opportunities for growth even as we hope to seed business areas that offer lucrative growth that can be sustained.

Q: What makes you optimistic of the company's prospects?

A: For one fundamental reason: products and services that are making a positive difference to society will continue gaining traction. We believe that we are engaged in making the world a more informed and de-risked one. Consequently, we see our order book growing fast enough to enable us to more than break-even during the current year. Once we have managed to do that, every incremental rupee of revenue will go into boosting our pre-tax bottom line. We believe that our receivables cycle will shrink from 90-100 days because of an increase in the proportion of revenues derived from enterprises in the Create segment. Given the extent of unabsorbed losses, we believe that it would be possible to report an attractive bottom line that can enhance shareholder value in a sustainable manner during the years that lie ahead.

Our performance ambition

At IRIS, our performance ambition is to create a company that is respected globally for keeping the world safe with solutions for compliance and data analytics.

Overall goal

Sustained 50% annual revenue growth with attractive EBITDA margins

Probable goal contributors

Product lines: The company intends to explore adjacent businesses that arise out of its Regtech / Suptech offerings, most notably in data-led businesses. For example, our position in the GST space has thrown up opportunities in GST-led lending, which we may enable without becoming a lender ourselves.

Sales footprint: The company has already made inroads into more than 1000 enterprises globally, which, with its image as a reliable compliance partner, throws up new avenues to upsell and cross-sell, from data to software.

SAAS focus: Today, the 'Create' division is run as a SAAS business for the most part. This will increase even as even the 'Collect' division is sought to be offered to regulators with smaller budgets as a SAAS offering. The data business too is envisioned as a DAAS offering.

Shorter receivables cycle: With a move to more of SAAS, the company will be able to market products around shorter receivables cycle translating into stronger cash flows. This shift to SAAS will remove the lumpiness of revenues and address cash flow issues.

Revenue mix: Presently, much of the revenue comes from iFile, which is expected to change with SAAS-based Regtech offerings becoming the biggest contributor. This will change the revenue mix on a growing revenue base.

Intended investments

Sales: The company intends to establish sales offices in select countries with

deep sales prospects (starting with the US where we already have an established presence); these offices will also help expand the partner network that is so critical for our expansion strategy.

Marketing: While IRIS may be a well-known name in the regulator community, which positions us well for the Suptech opportunity, significant investments need to be made to increase the company's visibility so that the company can sell its Regtech solutions more effectively. An increased spending in customer acquisition through digital initiatives is envisaged.

R & D: More data means more ways of collecting it, more ways of connecting it and more ways of analyzing it. To be at the cutting edge, IRIS needs to be at the forefront of research to establish ourselves as a thought leader.



What makes IRIS a distinctive company?

Our business model

Indian companies have built a great reputation globally by offering software services delivered from their delivery centres in India. IRIS, on the other hand, is leveraging the Indian cost structure to deliver products for the global market. In the days ahead, most of our offerings will either be of Software as a Service (SAAS) or Data as a Service (DAAS), which will make us even more unique.



Our domain expertise

IRIS is one of only a handful of global companies with the competence to help customers receive data in XBRL. The domain understanding at IRIS is institutionalised, the company possesses a core understanding of working with unstructured and structured information applied through XBRL and other technologies. Our business is a confluence of content and technology, resulting in XBRL and non-XBRL solutions for the regulated and regulators, combined with the ability to process and analyse such information



Our approach

IRIS straddles the entire information supply chains through our three divisions- Collect-Create- Consume-and are therefore able to offer a complete solution. This is a conscious choice. The few global competitors we have focus on only one part of the information supply chain. This approach has its merits. But in geographies, which may not be as advanced technologically, it has been our experience that regulators get comfort from a vendor taking an integrated approach.



Our clients

IRIS is a trusted partner of regulators such as central banks like Reserve Bank of India, business registries like ACRA in Singapore, capital markets regulators such as CMA in Kuwait and stock exchanges like Tadawul in Saudi Arabia. Once the trust of the regulator has been won, it is a short step to winning the trust of the regulated.





Our people

When a firm can boast of having the largest number of domain experts working with XBRL in the world as we do, it counts for something. It also matters that we have worked with a cross section of regulators and have use cases that demonstrate our capabilities across a range of categories. We have institutionalised all this knowledge.



We make a difference

We don't deliver just technology, we deliver meaningful solutions that make a difference. Which is how our work with the RBI has led to the revelation of the full extent of detection of non-performing assets of banks by making it expensive for them to hide it anymore.



We are an early mover

IRIS is an early mover in an emerging standard; in every aspect of its business, IRIS has led the pack through its ability to envision the future and even shape it.



We are a global company

With one or more of our products in use across 4 continents in 22 countries, we can lay claim to being a global company. We possess a globally-respected track record of successfully delivering solutions to regulators and the regulated alike.



Management discussion and analysis

Global economic overview

In 2017, a decade after the global economy spiraled into a meltdown, a revival in the global economy became visible. Consider the realities: every major economy expanded and a growth wave created jobs. This reality was marked by ongoing growth in the eurozone, modest growth in Japan, a late revival in China and improving conditions in Russia and Brazil leading to an estimated 3.8% growth in the global economy in 2017, 60 bps higher than the

previous year.

Outlook

The outlook for advanced economies improved, notably for the eurozone, but in many countries inflation remained weak, indicating that prospects of GDP growth were being held back by weak productivity levels and rising dependency ratios. Prospects of emerging market and developing economies in sub-Saharan

Africa, the Middle East, and Latin America remained lackluster with several countries experiencing stagnant per capita incomes. Fuel exporters were particularly affected by protracted adjustments to lower commodity revenues. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps, reflecting an improved momentum and the impact of tax policy changes in the US. (Source: WEO, IMF).

Indian economic overview

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for somewhat slower growth, estimated to be 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies. This was achieved on the back of lower inflation, an improved current account balance and a reduction in fiscal deficit-to-GDP ratio.

The year under review was marked by various structural reforms being undertaken by the Central Government. In addition to GST introduction, the year witnessed significant steps towards

resolution of problems associated with NPA levels, FDI liberalisation, and bank recapitalisation. After remaining in the negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18. (Source: CSO, Economic Survey 2017-18)

Outlook

The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Though increasing international oil prices and the yet-to-be resolved NPA problems in the Indian banking sector continue to be concerns, strong private consumption and services are expected to continue to support

economic activity. Private investments are expected to revive as the corporate sector adjusts to GST. Over the medium-term, the introduction of GST is expected to catalyse economic activity and fiscal sustainability by reducing the cost of tax compliance, drawing informal activity into the formal sector and expanding the tax base. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector Balance Sheets, enhance credit to the private sector and spur investment inflows. (Source: IMF, World Bank)

Global regulatory technology industry overview

There is a growing respect for timely and comprehensive compliance the world over, strengthening the foundation of the global regulatory segment. There is substantial evidence supporting this transition.

Following the 2008 recession, US banks paid >USD160 billion in fines, penalties and settlements related to regulatory non-compliances. The annual spending by financial institutions on compliance is estimated to be in >USD70 billion, a large opportunity for regulatory technology firms. Risk management, regulatory and governance activities are the three most important priorities for financial institutions, globally. The result is that the use of technologies to address regulatory

and compliance requirements effectively is gaining steam. With an ambitious regulatory reform agenda implemented to plug loopholes in the financial regulatory framework, compliance costs have increased. It is expected that the successful regulatory technology companies would be those that will help reduce their compliance burden without compromising the effectiveness of compliance and oversight regimes. Much of the literature on regulatory technology focuses on the regulated, ignoring the opportunities at the regulator's end. An increasing number of regulators will leverage the emerging digital world by re-architecting disclosure frameworks that could translate into the

following benefits:

Risk data aggregation: This relates to the gathering and aggregation of quality structured data from the universe of financial institutions.

Modeling, scenario analysis and forecasting: Increasingly complex and demanding in terms of computing powers, intellectual capacities, risk arrays, scenarios, variables and methodologies.

Identification of clients and legal persons: Increased KYC regulations could become efficient through the use of automated identification solutions

Monitoring a financial institution's culture: Complying with customer protection

processes typically requires the analysis of qualitative information conveying the behaviour of individuals, such as e-mails and spoken word. Automated interpretation could enhance efficiency, capacity and compliance speed.

Trading in financial markets: This requires participants to conduct a range of regulatory tasks such as margins calculation, choice of trading venue, choice of central counterparty and assessing the impact of a transaction on their institution's exposures. Automating enhances compliance, compliance speed and trading efficiency.

Identifying new regulations: Interpreting implications and allocating compliance

obligations to responsible units across an organisation is currently labour-intensive and complex. This could change following the automated interpretation of regulations. (Source: IIF, Financial Brand)

Outlook

The global demand for regulatory, compliance and governance software is expected to reach USD118.7 billion by 2020. It is expected that ~55% of the spending will occur in the consulting and business services. North America is expected to outgrow Europe and the Asia Pacific in regulatory software spending over the next five years. In 2018 itself, regulatory technology may play an important role

in the industry. The Markets in Financial Instruments Directive II and the EU General Data Protection Regulation could come into force in 2018 with extensive impact on organisations and financial penalties in the event of non-compliance. Under the EU General Data Protection Regulation regime, companies can be fined up to 4% of their global turnover for a breach, inspiring proactive investments. The global data analytics market is expected to be worth USD159 billion by 2022, growing at a CAGR of 31% as SMEs around the globe realise that data analytics could help with informed decision-making. (Source: Go Medici, Global Banking and Finance, NBC)

Indian regulatory technology and data analytics industry

There is a growing need for regulatory technology in India marked by a growing acceptance of XBRL (eXtensible Business Reporting Language). The Institute of Chartered Accountants of India spearheaded building the XBRL taxonomy for Indian GAAP reporting. The Ministry of Corporate Affairs made XBRL filing mandatory for submission of financial statements for a select class of companies. Currently, ~30,000 companies are using XBRL to file their statements. The Reserve Bank of India introduced the first XBRL-based reporting system bank in 2008 by launching an initial set of reports in the XBRL format and moving forward in a phased manner. (The immediate benefit

of this was the reduction in the number of returns – 291 to 223). (Source: www.entrepreneur.com, www.bankingtech.com)

Outlook

India ranks among the top-five countries in terms of digitalisation maturity and is expected to emerge among the leading countries with the opportunity to scale digital platforms by 2020-21. The big data and analytics industry in India, currently estimated at USD2.03 billion, is growing at a CAGR of 23.8%. India's analytics industry is expected to grow eight-fold to USD16 billion by 2025, catalysed by growing data generation at individual levels. India, with

its burgeoning population of 1.30 billion, an internet user base of >400 million and smartphone user-base of ~300 million, is slated to generate massive amounts of data and reveal user behavioural patterns. The growth in internet-enabled devices and consequent data generation is expected to grow given its accessibility, low-cost, ease-of-use and overall economic growth. India is expected, over the medium-term, to cement its place among the top-five nations in terms of social media account holders and mobile consumers in the world. (Source: www.entrepreneur.com, www.bankingtech.com, Analytics India, Accenture, NASSCOM)

Government initiatives

The introduction of the Goods and Services Tax (GST) by the Government of India has led to the creation of a centralised filing platform maintained by GSTN that will function as one of the pillars of India's digital economy with invoice level information verified by the counterparty and API and consent-based access to the eco-system. This development will propel, among other things, speedy formalisation

of the economy and an impetus to lower-cost digital lending for the MSME sector.

- The Government of India allocated ₹10,000 crore (USD 1.5 billion) for BharatNet project under which it aims to provide high speed broadband to >150,000 gram panchayats by end-2018.
- The Bharat Interface for Money (BHIM) app, an Aadhaar-based mobile payment

application, was launched to facilitate digital payments without a credit or debit card.

- The Government of India launched the Digital India programme to provide several governmental services using IT. The adoption of key technologies could boost India's GDP by USD 550 billion to USD 1 trillion by 2025.

Our business divisions

Collect business

63% of the company's revenues, FY2017-18

Overview

The Collect business caters to the data collection needs of regulators across the globe. In this segment, the company's flagship product iFile is well-placed to meet the requirements of regulators. The iFile product suite has been built in line with XBRL standards and is being adopted by regulators from diverse verticals including banking, capital markets, business registry and taxation, among others.

Strengths

- The combination of the product and consulting offering has allowed the company to offer a composite end-to-end solution
- A team of >100 professionals across technology and accounting domains

technology makes it possible to reduce the extent of manual engagement and makes it a cost-effective means of data submission to regulatory agencies

IRIS achievements, FY2017-18

- Added a number of important clients
- Made an entry into two new countries
- Launched a new version of iFile that enhanced operational ease
- Tied up with an analytics company to generate greater functional value

Outlook

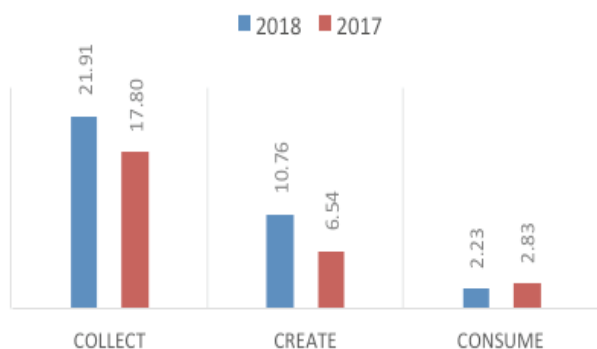
The company is optimistic of the prospects of this offering since within the 60 countries that have adopted XBRL, there remain a number of regulators who have not yet graduated to this technology. With XBRL emerging as the de facto standard for regulatory filings, it will become imperative for these regulators to follow

needs of enterprises in the context of generating regulatory filings in a structured format. In this segment, IRIS offers its collaborative, cloud-based platform (IRIS Carbon®) on a subscription basis to enterprises for financial report creation in the XBRL format. IRIS Carbon® is offered in the US, the UK, Italy and South Africa for XBRL-based financial report generation. In addition, IRIS offers IRIS iDeal® for automated XBRL data filings by banks to central banks and IRIS GST for India-specific GST compliance filings.

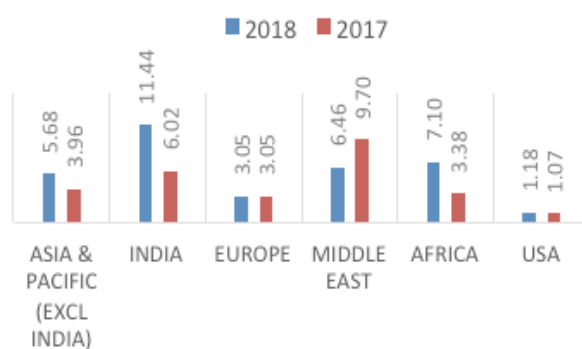
IRIS Carbon®

- IRIS Carbon® possesses the ability to collaborate and create documents (usually financial statements) in the XBRL and inline XBRL formats for enterprises to comply with filing regulations.
- IRIS Carbon® addresses the needs of HTML-based financial printers in the

REVENUE TREND - BY SEGMENT



REVENUE TREND - BY GEOGRAPHY



ensure that client demands are addressed swiftly and cost-effectively

- The product is now into its fourth generation, providing functional stability
- The company has strengthened its project implementation methodology, making it possible to deliver solutions faster
- The diverse technology stacks (Microsoft and Java) available enhance the flexibility and choice of technology at the regulator's end
- The offering is customised as per the diverse regulatory needs across countries
- The automation resident within the

suit. Additionally, there are a number of countries where regulators are yet to embrace this standard and are actively exploring adoption. This space is marked by a high entry barrier since solutions providers need to possess an in-depth knowledge of XBRL, stack technologies and domain expertise. However, the sales cycles are typically long as regulators take time to award contracts. Finally, there is pricing pressure in certain situations as customers need to work within tight budgets.

Create business

31% of the company's revenues, FY2017-18

Overview

The Create business is built around the

US market as they look for a partner specialising in XBRL and replaces the legacy manual system with an integrated and automated equivalent.

- IRIS Carbon® combines product and service components that help onboard customers and ensure a smooth transition.

IRIS GST

IRIS GST is the cloud-based compliance platform built by IRIS to meet the complex return filing regime (including invoice-wise matching) brought in the wake of GST introduction. IRIS is one of the initial 32 GST Suvidha Providers selected by the Goods and Services Tax Network. IRIS GST is an end-to-end offering that combines

and application service and a secure GSP pipe that connects with the GSTN. Additionally, IRIS GST offers an e-way bill solution as well as a full suite of analytics, ensuring across-the-table GST compliance and business insights. IRIS GST is one of the most dependable names in the market with several marquee customers from diverse verticals on its roster. Finally, IRIS GST is also being offered in partnership with ICICI Bank, HSBC and Grant Thornton, among others.

Outlook

The Create segment possesses tremendous potential for growth as enterprises all over the world embrace digital reporting in the wake of new regulatory mandates. IRIS Carbon® is positioned to meet the needs

of different XBRL mandates for financial reporting across countries thanks to its cloud-based architecture, ability to work with a range of XBRL taxonomies and generate XBRL and inline XBRL documents. IRIS is also focusing on automating a bulk of the XBRL tagging process so that the product can be effectively used by channel partners such as chartered accountancy firms who can then offer the service component.

IRIS Carbon® faces challenges in markets where regulators also offer a free tool for authoring. In mature, sophisticated markets such as the US (governed by the SEC) and the UK (governed by the HMRC), switching customers is a time-consuming activity. The South African market holds attractive

potential although price competition could intensify.

The GST compliance regime is awaiting clarity from the GST Council on a revised approach to compliance filing that could result in merger of a number of GST returns. While this delay has resulted in companies postponing their decision to adopt automated filing platforms such as IRIS GST, there are strong indications from the Central Government that the two-way matching of invoices will continue during the new regime as well. IRIS GST is poised to take advantage of the emerging situation. Moreover, IRIS is spinning additional products from the IRIS GST platform, including a solution to facilitate digital lending.

Our marketing strategy

The effectiveness of the marketing and sales network is critical to the success of IRIS. With a change in business strategy, our sales and marketing strategy will also need to be realigned towards SaaS-based client acquisition. Simultaneously, high-value sales in the Collect business will continue to require more touchpoints with regulatory clients. For large regulatory clients, direct sales outreach and meetings

will continue to form a critical part of the customer acquisition strategy. For instance, we have been a regular exhibitor at events where regulators participate.

- Looking ahead, our sales and marketing efforts will be directed towards:
- Appointing experienced professionals in key markets to accelerate the sales outreach of our products and services

- Developing alliances through partners such as software companies, system integrators and consulting firms (including the Big 4) to step up our outreach across geographies
- Creating a strong digital marketing push, especially in the Create division where digital marketing can ensure rapid customer acquisition.

Financial highlights

Our subsidiaries function as marketing and customer support entities with the result that consolidated financials differ only marginally from standalone financials.

Standalone financial highlights

Total revenues for the fiscal year ending 31st March 2018 stood at ₹35.33 crore, an increase of 29% over the total revenues earned during the fiscal year ended 31st March 2017, which stood at ₹27.32 crore.

- Revenues from the Collect segment grew by 23% from ₹17.80 crore for the fiscal year ending 31st March 2017 to ₹21.91 crore for the fiscal year ending 31st March 2018.
- Revenues from the Create segment grew

by 65% from ₹6.54 crore for the fiscal year ending 31st March 2017 to ₹10.76 crore for the fiscal year ending 31st March 2018, primarily aided by the launch of IRIS GST.

- Revenues from the Consume segment dropped by 21% from ₹2.83 crore for the fiscal year ending 31st March 2017 to ₹2.23 crore for the fiscal year ending 31st March 2018.

Our revenues are diversified geographically and spread across a number of countries. In FY17-18, India accounted for the largest share followed by the Middle East region.

At the operating level, the company made a profit of ₹1.16 crores, compared to a

loss of 4.44 crores in the corresponding period. For the second half of FY17-18, the turnaround was even more significant with the company recording a profit of ₹3.41 crores at the operating level as against a loss of ₹2.25 crores in the corresponding period. From a segment perspective, while the 'Collect' segment recorded profits at the operating level for the full year FY17-18, the 'Create' segment recorded losses. However, losses were substantially less at ₹52 lakhs in the Create segment in the second half of FY17-18, compared with 2.67 crores in the first half, pointing to an upward trend.

Our People, our Managers



It has become clichéd to talk about employees as being valuable to a company. At IRIS, we have always recognised that our future will be shaped by and only our colleagues. While the company may have been started by three people who are seen as promoters, it is the others who can make it or equally break it. Which is why the HR policies at IRIS are unlike anything anyone may see at any company in India for sure and may be even in most parts of the world.

In a city like Mumbai, it is tough to commute. Long hours of commute take a toll on people's health. It curbs their creativity and even weighs down productivity when it comes to seemingly repetitive tasks. Which is why we have office rules that may seem to be a nightmare to any HR professional.

But for the fact that the law requires us to have office hours and that our customers need to know when we may ordinarily be available, we would have had no office hours at IRIS. Our colleagues come when they wish, with nobody to ask why they are late. People work out of their own homes if they so wish. We used to offer six month maternity leave before it became law, we offered paternity leave long before it became common. The system is abused from time to time but our faith in humanity

ensures that we have never changed the policy on office timings. Freedom reigns unchecked.

The employees in the company have reciprocated in good measure too. With sacrifices when the going got tough. IRIS is an employee-run company, an employee-managed company. Nobody has a designation given to them by the firm; they usually make one up when there is a need.

But even with all this freedom, we measure performance. The systems throw up the best who are rewarded with more responsibility and an opportunity to grow. There are many that have left IRIS only to return. Yet others have left to grow into even bigger positions elsewhere.

There was a time at IRIS when the gender balance between male and female employees was just right at 50:50. Today women make up some 30% of the staff, a number we need to bump up to get more diversity. We have tried consciously to ensure that we have every part of India represented, that every Indian language is spoken by someone or the other. In our view, a diverse work place makes for a lively work place. We also do not discriminate on matters of recruitment against people of disability, unless it can be established that the person's disability will come in the way of the task they are being hired for.

As the list of holidays will show, religion has no official place in IRIS; every individual enjoys religious freedom. Any individual can take leave for Deepavali or Christmas or Id but the company does not shut down for reasons of a religious festival.

We believe that a great work environment is also reflected in our staff churn. In a company with as many as 300 employees on its rolls, 49% of who were below the age of 30, one would expect much greater attrition especially given the financial crisis. Yet the data tells a different story and points to the longevity of the tenure of our colleagues at IRIS. Close to 60 % of our colleagues have spent as much as 5 years with IRIS or more. When one realises that this was when the company was engulfed in a financial crisis, the bonding of the company with the employees begins to resonate loudly. It is also a matter of great satisfaction that just under 20% of the employees have been with the company for more than 10 years.

We don't just work with open standards when it comes to technology, we work in an open office as well. But for the fact that we are listed, everybody at IRIS would be sitting out in an open office as we did for most of our years of existence, where everybody had a desk but without walls. In monthly Town Hall style meetings, which we still have, no question is left unanswered including tough ones that were asked of the promoters when the financial crisis was at its worst. We celebrate together, we mourn together. We are still small enough to do so.

Our team comprises finance and accounting specialists, data scientists, XBRL domain experts, software engineers, product and project management personnel, sales and marketing personnel, customer support personnel as well as supporting personnel (finance, HR and administration).

Risk management

Product development risk

If IRIS is unable to market similarly successful products in the future, its revenue from operations could decline. For products not yet launched, if IRIS is not able to complete product development in time, or if we develop new products unmindful of market needs, it could impact revenues.

Mitigation: The answer to this is to keep an eye on the emerging regulatory landscape all the time and if possible even help shape it. Working with the regulator is a huge advantage for us given that we are working at the cutting edge of regulation. We get a sense of where the regulation is going and are therefore able to develop products based on the needs that may just be beginning to be recognised by a client.

Product innovation risk

Our ability to attract new clients and increase the revenues derived from existing ones depends largely on our ability to improve products and services. Our financial results would suffer if we are not able to address the incipient needs of our clients, if our innovations are not in sync with emerging opportunities.

Mitigation: We face competition from global players in the reg tech segment, where it is imperative to remain innovative. In most cases, India has always been behind the curve but mercifully in the area of XBRL and structured data, we are able to stay abreast if not get ahead of the competition at all times and in all markets. We get called by regulators the world over for our inputs but we need to constantly be on our toes, because what works in Delhi may not work in Johannesburg. Gaining local knowledge and using it to enhance our global offerings by making them locally relevant is the key to success. We listen to our customers, keep an eye on competition and stay abreast of technological trends and regulatory developments to update products and services. Most of the capital expenditure we incur is towards improving or enhancing our suite of products. Hence, working for marquee customers across geographies is an advantage for us in this respect.

Security & Data Privacy risk

This is perhaps the biggest risk of all if we are not alive to the challenges at all times. In the world of compliance, as new threats emerge, we see the need to stay abreast of them all and make investments as appropriate so that we do not lose the trust of our customers.

Mitigation: We recognise that this is easier said than done. But having said that, we also recognise that by working in technologically sophisticated markets, we will be abreast of the needs of customers that we can then draw upon to strengthen our offerings globally. Which is why we will keep a strong presence in markets like Singapore. In parallel, what we are also doing is to subject our systems to third party audits from time to time to reassure customers that all is well within IRIS and in the way we approach our work.

Client support risk

We are working in uncharted areas for the clients. Which means that client education is extremely important. While our business is about selling the product to a client and then integrating it with their systems, runaway unchecked client expectations can make the economics go completely awry for IRIS. Equally, if client support after the platform or software goes live falls short of client expectations, there is the danger of financial penalties.

Mitigation: We recognise that in activities like compliance, client engagement is crucial as there can be no tolerance for slips ups. Which is why in the early phases of a client engagement, the level of involvement of IRIS experts with the client is very high until such time as the client is comfortable. For example, in the case of GST filings, while some of the IRIS staff may have been actually helping the client do the filings and may have even filed on their behalf, today, the client is comfortable enough to file on their own.

Client retention risk

The nature of compliance is such that even when there may be a long term contract, clients can always exit if there is even a small slip up on our part. Also as technology matures, competition also intensifies and the cost of switch is coming down creating a pressure to offer discounts. If we are not responsive, there can be no assurance that clients will continue to use our products and services to meet their ongoing needs, particularly in the face of competitors' products and services offerings.

Mitigation: Our Indian cost structure places us at an advantage, allowing us a much greater flexibility than global competitors. Our clients on the regulatory side have an ongoing annual maintenance contract with us, which are renewed regularly. In the US, for example, the cost to companies of filing with the SEC is reported to have dropped by as much as 45 % over the last 3 years, necessitating a revisit to the drawing board.

Internal control systems and their adequacy

The company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed

promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains

constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Cautionary statement

The management discussion and analysis report containing your company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this

management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the company's operation include raw material availability and prices, cyclical demand and pricing in the company's principal

markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the company conducts business and other incidental factors.

Our product offerings



iFile®, the company's flagship product helps regulators collect data in XBRL and is a critical component of their compliance infrastructure. It was first conceived of when developing ICERS for the Bombay Stock Exchange in 2006 which, at the prodding of SEBI became CorpFiling, the Common Dissemination & Filing System for India. The current technology stack is available in Windows/UNIX/Linux platforms and can be deployed in both Microsoft's .NET and Oracle's Java frameworks. It is more than a filing platform in as much as it is bundled, at the request of the regulator, with a filing tool to ensure compliance. Also included as an add on is an Advanced Analytics module and other enhancements to serve use cases beyond regulatory reporting through integration with existing workflows at the regulator's end. iFile® has become the platform of choice for regulators across Asia and is well positioned to expand its presence elsewhere after the wins in Africa and Europe. A major reason for IRIS' success with iFile is the ability of the company to also offer training and taxonomy development, both of which are critical for any regulator going through a transition from a document based reporting paradigm to a data-led one. iFile® has also been architected for it to be shared by regulators in countries who wish to adopt what has come to be called the SBR approach.



IRIS Noah™ is a one-stop solution for creating, validating, testing, extending, maintaining, viewing and reviewing taxonomies. IRIS Noah™ is a web-based and collaborative application which caters to the needs of a wide range of users that includes business users, taxonomy architects and XBRL professionals who frequently deal with taxonomies. IRIS Bushchat®, our in-house validator, is integrated into IRIS Noah™.



IRIS Bushchat® is an efficient and reliable processor for validating XBRL files. It also adheres to all major XBRL specifications to validate XBRL filings generated from various taxonomy architectures. It is easy to use and can support multiple integration techniques.



IRIS CARBON® is a cloud-based software for the creation of submissions to regulators by enterprises. Currently used in England, Ireland, Italy, South Africa and the United States, the software helps generate documents in the format required by the regulator, whether it is XBRL or iXBRL. It lends itself to white labeling by service providers who may wish to use it as a production tool to create the filings of their clients. The platform can be easily go-ready for any country where there is an XBRL/iXBRL mandate. The software supports other file formats too and can generate documents in formats other than XBRL, including EDGAR HTML. Companies spend an enormous amount of time and effort in preparing the quarterly and annual reports. They often face challenges to track progress, version management, and getting accurate data updated through the report, especially when there are multiple users involved in the process. With IRIS CARBON®, the whole process of financial report preparation is made very easy, users can collaborate in a single working document from any part of the world, making version management and control is easier. The platform also has a smart audit trail, online review for both the document and XBRL and generation of output files in multiple formats for both internal and external review. The platform has a robust inbuilt validation which helps clients save a lot of time tracing and solving errors ahead of filing from the platform.

"As a firm, we sometimes have announcements that are needed to be filed at short notice with the SEC, so I was definitely in the market for a user-friendly compliance reporting platform where I could create and file my documents with the SEC easily by myself. It was also important for me to have a product that offered both the platform and expert XBRL support in one, at an all-inclusive price. IRIS CARBON® ticked all of these boxes perfectly. I am happy to have chosen IRIS CARBON® for our filing needs and would recommend it to anyone to who's looking for a self-filing platform with exceptional service backing it."

Caprice Roberts-Price

Director of Accounting, Industrial Services of America



IRIS iDEAL® is a comprehensive XBRL reporting solution for financial institutions that enables easy conversion of reportable data from an existing source system into XBRL, making it ready for submission to regulators. Acting as a bridge between the organisation's internal data systems and the regulator's filing platform, iDEAL® facilitates smooth regulatory compliance with the highest quality and efficiency. Reporting entities like banks and other financial institutions with a high frequency of return submissions and high volumes of reportable data need automated reporting solutions. iDEAL® facilitates an automated scheduling of XBRL document creation and reports submissions with a one-time mapping of internal reportable data to taxonomies. iDEAL® is being used by a large number of banks in India and is increasingly finding acceptance in the South East Asian and African regions as well.



iREPORT® is a comprehensive XML reporting solution for financial entities to report their CTR, STR, NTR, CCR, and CBWT returns to Financial Intelligence Unit India (FIU-IND). The solution, used by financial institutions, facilitates, on the click of a button, the XML generation and data validation process. The product can accept the input data in predefined MS Excel format and can also be customised to meet client specific input data consolidation requirements. Currently, the application has been widely used by cooperative banks in various states of India. It is also used by banks and NBFCs as well as mutual fund and insurance companies.



IRIS is both a GST Suvidha Provider (GSP) and an Application Service Provider (ASP) in India, offering a comprehensive suite of cloud-based software applications for GST and E-way Bill compliance. IRIS GST® has been associated with the GSTN ecosystem since its inception and is also aligned with the India Stack APIs - a set of APIs that allows governments, businesses, and software providers to utilise a unique digital Infrastructure for presence-less, paperless and cashless service delivery. IRIS GST® currently has the following offerings to clients:

- IRIS Sapphire® – A comprehensive ASP and GSP solution for GST reporting, ensuring hassle-free compliance
- IRIS Topaz® – A one-stop compliance solution for all E-way Bill needs to ensure smooth movement of goods across the country
- IRIS Zircon® – An API gateway to the GST Network (GSTN) that provides a seamless experience
- IRIS Peridot® – A searchable data repository facilitating automation and data validation, available as a mobile app and via APIs

"IRIS Sapphire® has helped us in meeting the GST compliance requirement and also improved the overall efficiency of regulatory reporting. The quality, user experience and customer service provided by IRIS is very good. The resolution of issues and service requests during support phase is very much satisfactory. Adequate training was provided which was informative and has helped us smoothly migrate into the new GST regime of compliance reporting."

N. Narayanaswamy
Senior Manager - Indirect Taxation, TVS Electronics

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting ('AGM') of the members of IRIS Business Services Limited will be held on Friday, 31st August, 2018 at 11:00 a.m. (IST) at Navi Mumbai Sports Association (NMSA), Sector-1A, Vashi, Navi Mumbai-400 703, Maharashtra, India, to transact the following business:

ORDINARY BUSINESS:

Item No. 1 – To consider and adopt Audited Financial Statements

To receive, consider and adopt the standalone and consolidated audited financial statements of the company for the financial year ended March 31, 2018 including the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss for the year ended on that date and the report of the Board of Directors and Auditors thereon.

Item No. 2 – To Re-appoint Ms. Deepta Rangarajan, who retires by rotation

To re-appoint Ms. Deepta Rangarajan (DIN – 00404072), Whole Time Director of the company, who retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

SPECIAL BUSINESS:

Item No. 3 – To appoint Mr. Ashok Venkatramani as an Independent Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Ashok Venkatramani (DIN: 02839145), who was appointed by the Board of Directors as an Additional Director (Independent) of the company effective 9th October, 2017 and who holds office up to the commencement of the 18th Annual General Meeting of the company in terms of Section 161 of the Companies Act, 2013 ("Act") and Article 129 of the Articles of Association of the company and who is eligible for appointment and has consented to act as a Director of the company, and in respect of whom the company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules framed thereunder read with Schedule IV to the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Ashok Venkatramani, who meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed

as an Independent Director of the company, not liable to retire by rotation, for a term of five years commencing from 9th October, 2017 upto 8th October, 2022."

RESOLVED FURTHER THAT certified true copy of the above resolutions, duly certified by any one of the Director or the Company Secretary of the company be issued, if required."

Item No. 4 – To appoint Mr. Bhaswar Mukherjee (DIN: 01654539) as an Independent Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Bhaswar Mukherjee (DIN: 01654539), who was appointed by the Board of Directors as an Additional Director (Independent) of the company effective 9th October, 2017 and who holds office up to the commencement of the 18th Annual General Meeting of the company in terms of Section 161 of the Companies Act, 2013 ("Act") and Article 129 of the Articles of Association of the company and who is eligible for appointment and has consented to act as a Director of the company, and in respect of whom the company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules framed thereunder read with Schedule IV to the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Bhaswar Mukherjee, who meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation, for a term of five years commencing from 9th October, 2017 upto 8th October, 2022;

RESOLVED FURTHER THAT certified true copy of the above resolutions, duly certified by any one of the Director or the Company Secretary of the company be issued, if required."

Item No. 5 – To appoint Mr. Vinod Agarwala (DIN: 01725158) as an Independent Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Vinod Agarwala (DIN: 01725158), who was appointed by the Board of Directors as an Additional Director

(Independent) of the company effective 27th November, 2017 and who holds office up to the commencement of the 18th Annual General Meeting of the company in terms of Section 161 of the Companies Act, 2013 ("Act") and Article 129 of the Articles of Association of the company and who is eligible for appointment and has consented to act as a Director of the company, and in respect of whom the company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules framed thereunder read with Schedule IV to the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Vinod Agarwala, who meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the company, not liable to retire by rotation, for a term of five years commencing from 27th November, 2017 upto 26th November, 2022;

RESOLVED FURTHER THAT certified true copy of the above resolutions, duly certified by any one of the Director or the Company Secretary of the company be issued, if required."

Item No. 6 – To re-appoint Mr. Swaminathan Subramaniam (DIN: 01185930) as Whole-Time Director

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee of the Board and the approval of the Audit Committee and Board of Directors and subject to any regulatory/government approval, if applicable, Mr. Swaminathan Subramaniam (DIN: 01185930) be and is hereby re-appointed as "Whole-Time Director" of the company, liable to retire by rotation, with effect from 1st May 2018 for a period of 3 (three) years on the following terms and conditions:

- a) Salary payable shall be upto ₹45 Lakh p.a.;
- b) Bonus per annum shall be equivalent to such sum as may be fixed by the Board of Directors subject to an overall ceiling as

per the Companies Act, 2013. The net profits shall be computed as set out under Section 198 of the Companies Act, 2013 and the rules framed thereunder;

- c) Perquisites per annum shall not exceed his annual salary. Perquisites include medical expenses, payment of premium on personal accident and health insurance and such other perquisites as may be approved by the Board from time to time, subject to aforesaid overall ceiling;
- d) Other benefits includes use of car with driver, telephone for company's business (the expenses whereof would be borne and paid by the company), leave travel allowance, contribution to provident fund, superannuation fund and all other benefits are as applicable to Directors and/or Senior employees of the company including but not limited to gratuity, leave entitlement, encashment of leave and housing and other loan facilities as per the schemes of the company and as approved by the Board from time to time.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, the appointee shall be paid the above remuneration as the Minimum Remuneration subject to the overall limits as per provisions contained in the Schedule V to the Companies Act, 2013 or any amendments hereinafter made, as may be agreed to between the Board of Directors and the appointee;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary and/or revise the terms of re-appointment including the remuneration of the said Whole-time Director within the permissible limits under the provisions of the Companies Act, 2013 or any statutory modification(s) thereof, from time to time and to settle any question or difficulty in connection therewith or incidental thereto and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution;

RESOLVED FURTHER THAT the above may be treated as a written memorandum setting out the terms of the re-appointment of Mr. Swaminathan Subramaniam under section 190 of the Companies Act, 2013.

RESOLVED FURTHER THAT certified true copy of the above resolutions, duly certified by any one of the Director or the Company Secretary of the company be issued, if required."

Item No. 7 – To re-appoint Mr. Balachandran Krishnan (DIN: 00080055) as Whole-Time Director

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee and the Board of Directors of the company and subject to any regulatory/government approval, if applicable, Mr. Balachandran Krishnan (DIN:00080055) be and is hereby re-appointed as “Whole-Time Director” of the company, liable to retire by rotation, with effect from 1st May, 2018 for a period of 3 (three) years on the following terms and conditions:

- a) Salary payable shall be upto ₹45 Lakh p.a.;
- b) Bonus per annum shall be equivalent to such sum as may be fixed by the Board of Directors subject to an overall ceiling as per the Companies Act, 2013. The net profits shall be computed as set out under Section 198 of the Companies Act, 2013 and the rules framed thereunder;
- c) Perquisites per annum shall not exceed his annual salary. Perquisites include medical expenses, payment of premium on personal accident and health insurance and such other perquisites as may be approved by the Board from time to time, subject to aforesaid overall ceiling;
- d) Other benefits includes use of car with driver, telephone for company’s business (the expenses whereof would be borne and paid by the company), leave travel allowance, contribution to provident fund, superannuation fund and all other benefits are as applicable to Directors and/or Senior employees of the company including but not limited to gratuity, leave entitlement, encashment of leave and housing and other loan facilities as per the schemes of the company and as approved by the Board from time to time.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, the appointee shall be paid the above remuneration as the Minimum Remuneration subject to the overall limits as per provisions contained in the Schedule V to the Companies Act, 2013 or any amendments hereinafter made, as may be agreed to between the Board of Directors and the appointee;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary and/or revise the terms of re-appointment including remuneration of the said Whole-Time Director within the permissible limits under the provisions of the Companies Act,

2013 or any statutory modification(s) thereof, from time to time and to settle any question or difficulty in connection therewith or incidental thereto and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution;

RESOLVED FURTHER THAT the above may be treated as a written memorandum setting out the terms of the re-appointment of Mr. Balachandran Krishnan under section 190 of the Companies Act, 2013;

RESOLVED FURTHER THAT certified true copy of the above resolutions, duly certified by any one of the Director or the Company Secretary of the company be issued, if required.”

Item No. 8 – To re-appoint Ms. Deepta Rangarajan (DIN: 00404072) as Whole-Time Director

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to approval of the Nomination and Remuneration Committee and the approval of the Audit Committee and the Board of Directors of the company and subject to any regulatory/government approval, if applicable, Ms. Deepta Rangarajan (DIN – 00404072) be and is hereby re-appointed as “Whole-Time Director” of the company, liable to retire by rotation, with effect from 1st May, 2018 for a period of 3 (three) years on the following terms and conditions:

- a) Salary payable shall be upto ₹45 Lakh p.a.;
- b) Bonus per annum shall be equivalent to such sum as may be fixed by the Board of Directors subject to an overall ceiling as per the Companies Act, 2013. The net profits shall be computed as set out under Section 198 of the Companies Act, 2013 and the rules framed thereunder;
- c) Perquisites per annum shall not exceed her annual salary. Perquisites include medical expenses, payment of premium on personal accident and health insurance and such other perquisites as may be approved by the Board from time to time, subject to aforesaid overall ceiling;
- d) Other benefits includes use of car with driver, telephone for company’s business (the expenses whereof would be borne and paid by the company), leave travel allowance, contribution to provident fund, superannuation fund and all other benefits

are as applicable to Directors and/or Senior employees of the company including but not limited to gratuity, leave entitlement, encashment of leave and housing and other loan facilities as per the schemes of the company and as approved by the Board from time to time.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, the appointee shall be paid the above remuneration as the Minimum Remuneration subject to the overall limits as per provisions contained in the Schedule V to the Companies Act, 2013 or any amendments hereinafter made, as may be agreed to between the Board of Directors and the appointee;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary and/or revise the terms of re-appointment including the remuneration of the said Whole-Time Director within the permissible limits under the provisions of the Companies Act, 2013 or any statutory modification(s) thereof, from time to time

and to settle any question or difficulty in connection therewith or incidental thereto and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution;

RESOLVED FURTHER THAT the above may be treated as a written memorandum setting out the terms of the re-appointment of Ms. Deepta Rangarajan under section 190 of the Companies Act, 2013;

RESOLVED FURTHER THAT certified true copy of the above resolutions, duly certified by any one of the Director or the Company Secretary of the company be issued, if required."

By order of the Board of Directors

Place: Navi Mumbai

Date: 30th May, 2018

Jay Mistry

Company Secretary & Compliance Officer

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts, concerning the business under Item No. 03 to 08 of the notice is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as Director(s) under Item No. 03 to 08 of the Notice, are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the company. A member holding more than ten (10) percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution to the company, authorizing their representative to attend and vote on their behalf at the meeting.
4. The instrument appointing the proxy, duly completed, must be deposited at the company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
5. During the period beginning 48 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A proxy form is attached hereto.
6. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
7. The Register of Members and Share Transfer Books of the company will remain closed from August 25, 2018 to August 31, 2018 (both days inclusive).
8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the company's record which will help the company and the company's Registrars and Transfer Agent – M/s. Link Intime India Private Limited (LIPL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to LIPL. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to LIPL.
9. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the company or LIPL for assistance in this regard.
10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the company or LIPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
11. In case of joint holders attending the Annual General Meeting (AGM), the Member whose name appears as the first holder in the order of names as per the Register of Members of the company will be entitled to vote.
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 and Register of Contract or Arrangement in which the directors are interested, maintained under section 189 of the Act, will be available for inspection by the members at the AGM. Members seeking any information with regard to the accounts are requested to write to the company at an early date, so as to enable the Management to keep the information ready at the AGM.

13. Relevant documents referred to in the Notice are open for inspection by the members at the registered office of the company on all working days (i.e. except Saturday, Sunday and Public Holidays) during business hours up to the date of the meeting. The aforesaid documents will also be available for inspection by members at the meeting.
14. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2017-18 will also be available on the company's website viz. <http://www.irisbusiness.com>.
15. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / AAL.
16. The route map showing directions to reach the venue of the eighteenth AGM is annexed.
17. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by the Central Depository Services Limited, (CDSL), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
18. The cut-off date for the purpose of remote e-voting and voting at the AGM shall be August 24, 2018.
19. The Board of Directors has appointed M/s. Priti J. Sheth & Associates, Company Secretaries, C.P. No. 5518 as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
20. The facility for voting, through polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM. Remote e-voting shall not be allowed beyond Thursday, August 30, 2018 at 5:00 p.m.
21. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
22. In compliance with the provisions of Regulation 44 of the Listing Regulations and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the Secretarial Standard on General Meetings, the company is providing remote e-voting facility to all its members to enable them to cast their vote on the matters listed in the Notice by electronic means and business may be transacted through such voting. The company has engaged the services of the Central Depository Services (India) Limited ("CDSL") to provide the e-voting facility.
 - A. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on Tuesday, August 28, 2018 at 09.00 a.m. and ends on Thursday, August 30, 2018 at 5.00 p.m. During this period shareholder(s) of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date - Friday, August 24, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Members holding shares in physical or in demat form as on Friday, August 24, 2018, shall only be eligible for e-voting.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on Shareholders / Members.
 - (v) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN "180803004" of IRIS Business Services Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and

on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or may contact Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited. (CDSL) Regd. Office: Marathon Futurex, A-Wing, 25th Floor, N. M. Joshi Marg, Lower Parel, Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or can call on the toll free no. 1800225533. You may also send an email to jay.mistry@irisbusiness.com or contact on 022-67301000.

B. Other Instructions

The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the Meeting through electronic voting system or poll paper.

- Any person, who acquires shares of the company and becomes a Member of the company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at www.evotingindia.com.
- The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- The result declared along with the Scrutinizer's Report shall be placed on the company's website <http://www.irisbusiness.com/> and on the website of CDSL www.evotingindia.com immediately. The company shall simultaneously forward the results to BSE Limited, where the shares of the company are

listed. The results shall also be displayed on the notice board at the Registered Office of the company.

- Members may also note that the Notice of the eighteenth AGM and the Annual Report of the company for 2017-18 will be available on the company's website www.irisbusiness.com

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("ACT")

The following Statement sets out all material facts relating to Item Nos. 3 to 8 mentioned in the accompanying Notice.

Item No. 3:

The Board of Directors ("Board") upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Ashok Venkatramani, (DIN: 02839145), as an Additional (Independent) Director of the company, not liable to retire by rotation, effective 9th October, 2017 till the commencement of the ensuing 18th Annual General Meeting. Pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 129 of the Articles of Association of the company, Mr. Venkatramani will hold office till the commencement of the ensuing 18th Annual General Meeting ("AGM") and is eligible to be appointed a Director of the company.

The company has received from Mr. Ashok Venkatramani (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and under the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has, in terms of Section 160(1) of the Act, received in writing a notice from a member, proposing his candidature for the office of Director.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment of Mr. Ashok Venkatramani as an Independent Director of the company for a period of five years commencing from 9th October, 2017 up to 8th October, 2022. Mr. Venkatramani, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Venkatramani is a person of integrity, fulfills the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the company. A copy of the letter of appointment of Mr. Venkatramani as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the members at the Registered Office of the company during the normal business hours on working days up to the date of the AGM.

Information to be given to the members in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 is as under:

(1)	Name of the Director	: Mr. Ashok Venkatramani
(2)	Age	: 54 years
(3)	DIN	: 02839145
(4)	Date of Birth	: 24.02.1964
(5)	Date of first appointment	: 09.10.2017
(6)	Qualification, brief resume and experience	: Mr. Ashok Venkatramani, served as the CEO of ABP News Network Pvt. Ltd. from 2008 to 2016 and handled various positions in Hindustan Unilever Limited (HUL) beginning in the year 1989 till 2007. He last served as Vice President & Business Head in HUL. Educational Qualifications: B.Tech in Mechanical Engineering from V.J.T.I., University of Bombay. P.G.D.M. from IIM Ahmedabad Advanced Management Program from Harvard Business School, Cambridge, MA, US
(7)	Expertise in specific functional areas	: Areas of expertise include, inter-alia, Business Strategy, Risk Management, Marketing, Stakeholder Management and Fund Raising.
(8)	Relationship with other Directors /KMP	: None
(9)	Remuneration	: Except sitting fees for attending the meetings of the Board and the Audit Committee, no other remuneration is paid.
(10)	Shareholding in the company	: NIL
(11)	Number of Board meeting(s) attended during the year 17-18	: 02
(12)	Other Directorships/ membership of committee	: Other Directorships: a) Overseas Property Consultants Private Limited b) Tinseltrade Media Private Limited c) Intelligent Insights Private Limited

Committee Membership: NIL

None of the Director(s) and Key Managerial Personnel of the company or their respective relatives, except Mr. Venkatramani, to whom the resolution relates, are in any way concerned or interested financially or otherwise in the Resolution mentioned at Item No. 3 of the Notice.

The Board recommends the resolution set forth in Item No. 3 for the approval of the members.

Item No. 4:

The Board of Directors ("Board") upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Bhaswar Mukherjee (DIN: 01654539), as an Additional (Independent) Director of the company, not liable to retire by rotation, effective 9th October, 2017 till the commencement of the ensuing 18th Annual General Meeting. Pursuant to the provisions of Section 161 of the Act and Article 129 of the Articles of Association of the company, Mr. Bhaswar Mukherjee will hold office till the commencement of the ensuing 18th Annual General Meeting ("AGM") and is eligible to be appointed a Director of the company.

The company has received from Mr. Bhaswar Mukherjee (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect

that he is not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and under the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has, in terms of Section 160(1) of the Act, received in writing a notice from a member, proposing his candidature for the office of Director.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment of Mr. Bhaswar Mukherjee as an Independent Director of the company for a period of five years commencing from 9th October, 2017 up to 8th October, 2022. Mr. Mukherjee, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Mukherjee is a person of integrity, fulfills the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the company. A copy of the letter of appointment of Mr. Mukherjee as

an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the members at the Registered Office of the company during the normal business hours on working days up to the date of the AGM.

Information to be given to the members in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 is as under:

(1)	Name of Director	: Mr. Bhaswar Mukherjee
(2)	Age	: 65 years
(3)	DIN	: 01654539
(4)	Date of Birth	: 03.05.1953
(5)	Date of first appointment	: 09.10.2017
(6)	Qualification, brief resume and experience	A fellow member of the Institute of Chartered Accountants of India, Mr. Bhaswar Mukherjee had 34 years' experience in Hindustan Petroleum Corporation Limited in various functional areas of Finance, Audit and Human Resources Management. He rose upto the level of Director (Finance) and CFO of the company before his superannuation in May, 2013. Later, he served in Haldia Petrochemicals Limited as the CFO and Head - HR.
(7)	Expertise in specific functional areas	: Finance, Audit, Human Resource Management
(8)	Relationship with other Directors, Manager or KMP	: None
(9)	Remuneration	: Except sitting fees for attending the meetings of the Board and the Audit Committee, no other remuneration is paid.
(10)	Shareholding in the company	: NIL
(11)	Number of Board meeting(s) attended during the year 17-18	: 02
(12)	Other Directorships/membership of committee	Other Directorships: GP Petroleums Limited Committee Membership: Following Committees of GP Petroleums Limited Audit Committee – Chairman Nomination and Remuneration Committee- Chairman Risk Management Committee – Chairman Corporate Social Responsibility Committee – Chairman Stakeholders Relationship Committee - Member

None of the Director(s) and Key Managerial Personnel of the company or their respective relatives, except Mr. Mukherjee, to whom the resolution relates, are in any way concerned or interested financially or otherwise in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Members.

Item No. 5:

The Board of Directors ("Board") upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Vinod Agarwala, (DIN: 01725158), as an Additional (Independent) Director of the company, not liable to retire by rotation, effective 27th November, 2017 till the commencement of the 18th Annual General Meeting. Pursuant to the provisions of Section 161 of the Act and Article 129 of the Articles of Association of the company, Mr. Agarwala will hold office till the commencement of the ensuing 18th Annual General Meeting ("AGM") and is eligible to be appointed a Director of the company.

The company has received from Mr. Vinod Agarwala (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act.

The resolution seeks the approval of the members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder and the

applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for appointment of Mr. Agarwala as an Independent Director of the company for a period of five years commencing from 27th November, 2017 up to 26th November, 2022. Mr. Agarwala, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Agarwala is a person of integrity, fulfills the conditions specified in the Act and the Rules made

thereunder and is independent of the Management of the company. A copy of the letter of appointment of Mr. Agarwala as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the company during the normal business hours on working days up to the date of the AGM.

Information to be given to the members in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 is as under:

(1)	Name of Director	: Mr. Vinod Agarwala
(2)	Age	: 69 years
(3)	DIN	: 01725158
(4)	Date of Birth	: 30.10.1949
(5)	Date of first appointment	: 27.11.2017
(6)	Qualification, brief resume and experience	Mr. Vinod Agarwala is a Science and Law Graduate, Solicitor & Advocate High Court, Bombay, Solicitor, Supreme Courts of England & Wales. He is also Trustees of Public Charitable trust and has been awarded 5 th Dan (black belt) by Korea Pro TAEKWONDO Federation.
(7)	Expertise in specific functional areas	: Law
(8)	Relationship with other Directors/KMP	: None
(9)	Remuneration	: Except sitting fees for attending the meeting of the Board and the Audit Committee, no other remuneration is paid.
(10)	Shareholding in the company	: NIL
(11)	Number of Board meeting(s) attended during the year 17-18	: 01
(12)	Other Directorships/ membership of committee (Indian Companies)	<p>Other Directorship in following companies:</p> <ul style="list-style-type: none"> a) Supreme Infrastructure India Limited b) Suditul Trading and Investment Company Private Limited c) GTL Infrastructure Limited d) SBM Chemicals and Instruments Private Limited e) V-Magnum Opus Strategic Solutions Private Limited f) Technocraft Industries (India) Limited g) Poorti Agri Services Private Limited <p>Committee membership in other companies as follows:</p> <ul style="list-style-type: none"> a) Supreme Infrastructure India Limited - Member of Audit Committee b) Supreme Infrastructure India Limited - Chairman of Nomination and Remuneration Committee c) Supreme Infrastructure India Limited - Chairman of Stakeholders Relationship Committee d) Supreme Infrastructure India Limited - Member of Corporate Social Responsibility Committee e) GTL Infrastructure Limited - Member of Audit Committee f) GTL Infrastructure Limited - Member of Stakeholders Relationship Committee g) Technocraft Industries (India) Limited- Chairman of Audit Committee

None of the Director(s) and Key Managerial Personnel of the company or their respective relatives, except Mr. Agarwala, to whom the resolution relates, are in any way concerned or interested financially or otherwise in the Resolution mentioned at Item No. 5 of the Notice. The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

Item No. 6

Mr. Swaminathan Subramaniam, (DIN: 01185930), Whole-Time Director & CEO ('WTD') of the company is one of the founders of the company. He was appointed WTD of the company with effect from 1st May, 2010 to hold office of WTD for a period of 5 years. He was additionally appointed and designated as the 'Chief Executive Officer' of the company by the Board of Directors of the company on 7th February, 2015 based on the recommendation of the Nomination and Remuneration Committee. He was further re-appointed by the shareholders in the fifteenth AGM held on 29th September, 2015 for a period of 3 (three) years from 1st May, 2015 till 30th April, 2018 on the recommendation of the Board of Directors and the Nomination and Remuneration Committee of the Board at their meetings held on 7th February, 2015.

Accordingly, his tenure expired on 30th April, 2018 and at the meeting of the Board of Directors held on 25th April, 2018, he was re-appointed as a WTD with effect from 1st May, 2018 for a period of 3 years pursuant to recommendation of the Nomination and Remuneration Committee of Board and subject to the approval of the members of the company.

In terms of Section 196, 197 read with Schedule V of the Act read with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a special resolution is proposed to be passed for the re-appointment and payment of

remuneration to Mr. Swaminathan Subramaniam for a period of 3 years with effect from 1st May, 2018.

In accordance with the resolutions and within the aforesaid limits, the amount of salary, bonus and perquisites payable to Mr. Swaminathan Subramaniam (including the types and amount of each type of perquisites) will be decided by the Board, at such time or times, as it may deem fit in its absolute discretion. Mr. Swaminathan Subramaniam shall be entitled to all other benefits as are provided to the Directors and/or senior employees of the company, in accordance with schemes made/ to be made by the company, from time to time.

The valuation of perquisites will be as per the Income-Tax Rules in cases where the same is otherwise not possible to be valued.

The Board of Directors recommends the special resolution for approval of the members.

Mr. Swaminathan Subramaniam and Ms. Deepta Rangarajan are interested in the resolution at Item No. 6, being husband and wife.

None of the other Directors and/or Key Managerial Personnel of the company and their relatives except as mentioned above and to the extent of their shareholding in the company is in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice.

The statement containing the information to be given to the members in terms of Schedule V to the Companies Act, 2013 is as under:

I. General Information

(1)	Nature of Industry	:	Software Products and Solutions
(2)	Date or expected date of commencement of commercial production	:	Company is already in operation
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	Not Applicable
(4)	Financial performance based on given indicators	:	The company has made a net loss of ₹(4,89,29,519) for the financial year ended 31 st March, 2018.
(5)	Foreign Investments or collaborations, if any	:	Not Applicable

II. Information about the appointee

(1)	Background details	:	Mr. Swaminathan Subramaniam, Founder and CEO, has 20+ years of experience in information technology, financial information, and media. An Economics Graduate with a Masters degree from Yale University, he was a Consultant to The World Bank in Washington, DC. Previously, he served in senior editorial positions with The Economic Times and Business India. He is Past Chairman, IT sub-committee, CII, Western Region, Past member, Regional Council, CII (Western Region) and Patron Member, Indian Merchants Chamber and Past Vice-Chairman, Indian Merchants Chamber, Navi Mumbai. He is also Honorary Chairman, Bharatiya Vidya Bhavan, Navi Mumbai Kendra
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(2)	Past remuneration	: ₹30,00,000/- per annum
(3)	Recognition or awards	: Several
(4)	Job profile and his suitability	: Job requires strong knowledge of and experience in sales and marketing and exposure to the IT industry. Mr. Swaminathan Subramaniam is eminently suitable given his background.
(5)	Proposed Remuneration	: As per resolution given above
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	: Well within industry norms
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	: Mr. Swaminathan Subramaniam is the husband of Ms. Deepta Rangarajan, Whole Time Director on the Board of the company.

III. Other Information

(1)	Reasons of loss or inadequate profits	: Over the past few years, the company has built a suite of IP driven software products and solutions around structured data. A product based approach such as this entails significant expense in the initial stages and time to market before the offering gets established in the market place.
(2)	Steps taken or proposed to be taken for improvement	: A systematic sales and marketing activity is underway to acquire customers for the company's products
(3)	Expected increase in productivity and profits in measurable terms	: As the different products from the IRIS stable scale in the market place, we expect a substantial increase in number of customers leading to a good improvement in operating margins.

IV. Additional information to be given to the members in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 is as under:

(1)	Name of Director	: Mr. Swaminathan Subramaniam
(2)	Age	: 56 years
(3)	DIN	: 01185930
(4)	Date of Birth	: 24.03.1962
(5)	Date of first appointment	: 03.10.2000
(6)	Shareholding in the company	: 48,72,168
(7)	Number of Board meeting(s) attended during the year 2017-18	: 6
(8)	Other Directorships/ membership of committee	: a. IRIS Knowledge Foundation b. Investment Research and Information Services Limited
(9)	Qualification, brief resume and experience	: Mentioned above
(10)	Expertise in specific functional areas	: Mentioned above
(11)	Remuneration to be paid	: Upto ₹45,00,000 per annum
(12)	Remuneration last drawn	: ₹30,00,000 per annum
(13)	Relationship with other Directors /KMP	: Mentioned above

Item No. 7

Mr. Balachandran Krishnan, (DIN: 00080055), Whole Time Director & CFO ('WTD') of the company is one of the founders of the company. He was appointed WTD of the company with effect from 1st May, 2010 to hold office of WTD for a period of 5 years. He was further re-appointed by the shareholders in the fifteenth AGM held on 29th September, 2015 for a period of three years from 1st May, 2015 till 30th April, 2018 on the recommendation of the Board of Directors and the Nomination and Remuneration Committee of the Board at their meetings held on 7th February, 2015.

Accordingly, his tenure expired on 30th April, 2018 and at the meeting of the Board of Directors held on 25th April, 2018 he was re-appointed as a WTD with effect from 1st May, 2018 for a period of three years pursuant to recommendation of the Nomination and Remuneration Committee of Board and subject to the approval of the members of the company.

In terms of Section 196, 197 read with Schedule V of the Act read with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a special resolution

is proposed to be passed for the re-appointment and payment of remuneration to Mr. Balachandran Krishnan for a period of 3 years with effect from 1st May, 2018.

In accordance with the resolutions and within the aforesaid limits, the amount of salary, bonus and perquisites payable to Mr. Balachandran Krishnan (including the types and amount of each type of perquisites) will be decided by the Board, at such time or times, as it may deem fit in its absolute discretion. Mr. Balachandran Krishnan shall be entitled to all other benefits as are provided to the directors and/or senior employees of the company, in accordance with schemes made/ to be made by the company, from time to time.

The valuation of perquisites will be as per the Income-Tax Rules, in cases where the same is otherwise not possible to be valued.

The Board of Directors recommends the special resolution for approval of the Members.

Mr. Balachandran Krishnan is interested in the resolution at Item No. 7.

None of the Directors and/or Key Managerial Personnel of the company and their relatives except to the extent of their shareholding in the company is in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

The statement containing the information to be given to the members in terms of Schedule V to the Companies Act, 2013 is as under:

I. General Information

(1)	Nature of Industry	: Software Products and Solutions
(2)	Date or expected date of commencement of commercial production	: Company is already in operation
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	: Not Applicable
(4)	Financial performance based on given indicators	: The company has made a net loss of ₹(4,89,29,519) for the financial year ended 31 st March, 2018.
(5)	Foreign Investments or collaborations, if any	: Not Applicable

II. Information about the appointee

(1)	Background details	: Mr. Balachandran Krishnan, co-founder, WTD & CFO, has 20+ years of experience in financial research and information business. He was previously a research analyst at Tata Economic Consultancy Services, and CRISIL (India's premier rating agency, now a subsidiary of Standard and Poor's). He holds a B.Tech degree from Calicut University and MBA from IIM-Bangalore.
(2)	Past remuneration	: ₹30,00,000 per annum
(3)	Recognition or awards	: Several
(4)	Job profile and his suitability	: Job requires expert knowledge of financial reporting and accounting. Mr. Balachandran Krishnan is an MBA in finance and therefore possesses the necessary skills required.
(5)	Proposed Remuneration	: As given in the resolution above
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	: Well within industry norms
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	: Not Applicable

III. Other Information

(1)	Reasons of loss or inadequate profits	: Over the past few years, the company has built a suite of IP driven software products and solutions around structured data. A product based approach such as this entails significant expense in the initial stages and time to market before the offering gets established in the market place.
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(2) Steps taken or proposed to be taken for improvement	: A systematic sales and marketing activity is underway to acquire customers for the company's products
(3) Expected increase in productivity and profits in measurable terms	: As the different products from the IRIS stable scale in the market place, we expect a substantial increase in number of customers leading to a good improvement in operating margins.

IV. Additional information to be given to the members in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 is as under:

(1) Name of Director	: Mr. Balachandran Krishnan
(2) Age	: 55 years
(3) DIN	: 00080055
(4) Date of Birth	: 13.04.1963
(5) Date of first appointment	: 03.10.2000
(6) Shareholding in the company	: 11,04,000
(7) Number of Board meeting(s) attended during the year 2017-18	: 5
(8) Other Directorships/ membership of committee	: IRIS Knowledge Foundation Investment Research and Information Services Limited
(9) Qualification, brief resume and experience	: Mentioned above
(10) Expertise in specific functional areas	: Mentioned above
(11) Remuneration to be paid	: Upto ₹45,00,000 per annum
(12) Remuneration last drawn	: ₹30,00,000 per annum
(13) Relationship with other Directors /KMP	: None

Item No. 8

Ms. Deepta Rangarajan, (DIN: 00404072), Whole-Time Director ('WTD') of the company is one of the founders of the company. She was appointed WTD of the company with effect from 1st May, 2010 to hold office of WTD for a period of 5 years. She was further re-appointed by the shareholders in the fifteenth AGM held on 29th September, 2015 for a period of three years from 1st May, 2015 till 30th April, 2018 on the recommendation of the Board of Directors and the Nomination and Remuneration Committee of the Board at their meetings held on 7th February, 2015.

Accordingly, her tenure expired on 30th April, 2018 and at the meeting of the Board of Directors held on 25th April, 2015 she was re-appointed as a WTD with effect from 1st May, 2018 for a period of 3 (three) years pursuant to recommendation of the Nomination and Remuneration Committee of Board and subject to the approval of the members of the company.

In terms of Section 196, 197 read with Schedule V of the Act read with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a special resolution is proposed to be passed for the re-appointment and payment of remuneration to Ms. Deepta Rangarajan for a period of 3 (three) years with effect from 1st May, 2018.

In accordance with the resolutions and within the aforesaid limits, the amount of salary, bonus and perquisites payable to Ms. Deepta Rangarajan (including the types and amount of each type of perquisites) will be decided by the Board, at such time or times, as it may deem fit in its absolute discretion. Ms. Deepta Rangarajan shall be entitled to all other benefits as are provided to the directors and/or senior employees of the company, in accordance with schemes made/ to be made by the company, from time to time.

The valuation of perquisites will be as per the Income-Tax Rules, in cases where the same is otherwise not possible to be valued.

The Board of Directors recommends the special resolution for approval of the members.

Ms. Deepta Rangarajan and Mr. Swaminathan Subramaniam are interested in the resolution at Item No. 8.

None of the other Directors and/or Key Managerial Personnel of the company and their relatives except as mentioned above and to the extent of their shareholding in the company is in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8 of the Notice.

The statement containing the information to be given to the members in terms of Schedule V to the Companies Act, 2013 is as under:

I. General Information

(1)	Nature of Industry	: Software Products and Solutions
(2)	Date or expected date of commencement of commercial production	: Company is already in operation
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	: Not Applicable
(4)	Financial performance based on given indicators	: The company has made a net loss of ₹(4,89,29,519) for the financial year ended 31 st March, 2018.
(5)	Foreign Investments or collaborations, if any	: Not Applicable

II. Information about the appointee

(1)	Background details	: Ms. Deepta Rangarajan, Whole Time Director, Co-founder & Head, International Business, has 20+ years of experience in operations and business development, previously worked at American Express Bank and headed CRISIL's operations in North India. She holds a B.Tech degree from IIT-Delhi and MBA from IIM-Ahmedabad. She is identified as one of the top 25 entrepreneurs from IIMA and 1 of 2 women entrepreneurs in the list.
(2)	Past remuneration	: ₹30,00,000/- per annum
(3)	Recognition or awards	: Several
(4)	Job profile and her suitability	: Job requires strong knowledge of and experience in sales and marketing and exposure to the IT industry, which Ms. Rangarajan possesses.
(5)	Proposed Remuneration	: As per resolution given above
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	: Well within industry norms
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with Managerial Personnel, if any.	: Ms. Deepta Rangarajan is the wife of Mr. Swaminathan Subramaniam, Whole Time Director & CEO.

III. Other Information

(1)	Reasons of loss or inadequate profits	: Over the past few years, the company has built a suite of IP driven software products and solutions around structured data. A product based approach such as this entails significant expense in the initial stages and time to market before the offering gets established in the market place.
(2)	Steps taken or proposed to be taken for improvement	: A systematic sales and marketing activity is underway to acquire customers for the company's products
(3)	Expected increase in productivity and profits in measurable terms	: As the different products from the IRIS stable scale in the market place, we expect a substantial increase in number of customers leading to a good improvement in operating margins.

IV. Additional information to be given to the members in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 is as under

(1)	Name of Director	: Ms. Deepta Rangarajan
(2)	Age	: 52 years
(3)	DIN	: 00404072
(4)	Date of Birth	: 23.04.1966

(5)	Date of first appointment	: 03.10.2000
(6)	Qualification, brief resume and experience	: Mentioned above
(7)	Expertise in specific functional areas	: Mentioned above
(8)	Remuneration to be paid	: Upto ₹45,00,000 per annum
(9)	Remuneration last drawn	: ₹30,00,000 per annum
(10)	Shareholding in the company	: 14,46,052
(11)	Number of Board meeting(s) attended during the year 2017-18	: 5
(12)	Other Directorships/ membership of committee	: Nil
(13)	Relationship with other Directors /KMP	: Ms. Deepta Rangarajan is the wife of Mr. Swaminathan Subramaniam, Whole Time Director & CEO.

By Order of Board of Directors

Place: Navi Mumbai

Date: 30th May, 2018

Jay Mistry

Company Secretary & Compliance Officer

ROUTE MAP OF THE VENUE OF 18TH ANNUAL GENERAL MEETING



DIRECTORS' REPORT

To
The Members,

Your Board of Directors ('Board') is pleased to present the eighteenth annual report of your company, IRIS Business Services Limited, for the financial year ended 31st March, 2018. In line with the requirements of the Companies Act, 2013 and the rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this report covers the financial results and other developments during 1st April 2017 to 31st March 2018 in respect of IRIS Business Services Limited ('IRIS').

1. SUMMARY OF OPERATIONS/RESULTS

(Amount in ₹)

Particulars	Standalone		Consolidated	
	F.Y. 2018	F.Y. 2017	F.Y. 2018	F.Y. 2017
Turnover	34,90,76,697	27,17,11,979	34,95,14,144	27,31,66,195
Other Income	42,26,316	14,75,987	63,84,371	25,42,173
Total Expenditure	40,59,65,686	38,45,04,542	41,17,90,553	39,25,49,362
Operating Profit (Loss)	(5,26,62,672)	(11,13,16,576)	(5,58,92,038)	(11,68,40,994)
Exceptional Items	5,40,765	43,76,928	-	43,76,928
Net Profit (Loss) before tax	(5,32,03,437)	(11,56,93,504)	(5,58,92,038)	(12,12,17,922)
Tax Expense:	-	-	-	-
Current Tax	-	-	-	4,28,067
Deferred Tax	(42,73,918)	(1,56,42,720)	(42,73,918)	(1,56,42,720)
Tax expense/(income) for earlier years	-	-	-	-
Profit (Loss) for the year	(4,89,29,519)	(10,00,50,784)	(5,16,18,120)	(10,60,03,269)

2. PERFORMANCE OF THE COMPANY

In the reporting year, the company recorded an improved sales performance compared to the previous year while containing the loss at the operating level. The company's performance improved significantly in the second half of the reporting year with a healthy sales growth of 50.31% (compared to the corresponding period in the previous year) and profits at the EBITDA and after tax levels.

In the reporting year, the company acquired key regulator customers in new geographies while building a base for increasing sales in such high potential markets.

Highlights of our standalone financial results

Revenues:

Our total revenues in the fiscal year ended March 31, 2018 were ₹35.33 cr, an increase of 29% over our total revenues of ₹27.32 cr in the fiscal year ended March 31, 2017.

Our revenues from operation in the fiscal year ended March 31, 2018 were ₹34.91 cr, an increase of 28% over our total revenues of ₹27.17 cr in the fiscal year ended March 31, 2017.

Our export revenues strengthened by 11% from ₹21.15 cr in fiscal year ended 2017 to ₹23.47 cr in fiscal year ended 2018. Also domestic revenues strengthened by 90% from ₹6.02 cr in fiscal year ended 2017 to ₹11.44 cr in fiscal year ended 2018.

Our revenues from "Collect" segment grew by 23% from ₹17.80 cr in the fiscal year ended 31st March 2017 to ₹21.91 cr in fiscal year ended 31st March 2018.

Revenues from "Create" segment grew by 65% from ₹6.54 cr in the fiscal year ended 31st March 2017 to ₹10.76 cr in the fiscal year ended 31st March 2018 primarily due to launch of our GST compliance platform.

Revenues from "Consume" segment dropped by 21% from ₹2.83 cr in the fiscal year ended 31st March 2017 to ₹2.23 cr in the fiscal year ended 31st March 2018.

Other Income:

Our other income primarily comprises of interest on bank deposits and foreign exchange gain/loss. Our other income in the fiscal year ended 31st March 2018 were ₹0.42 cr as compared to ₹0.15 cr in the fiscal year ended 31st March 2017. The increase is primarily due to increase in interest on fixed deposits from the unutilized money raised through IPO and parked in bank deposits.

Employee Costs:

Employee costs in the fiscal year ended March 31, 2018 stood at ₹18.89 cr, an increase of 22% over our employee costs of ₹15.49 cr in the fiscal year ended March 31, 2017. Employee costs relate to salaries and bonus paid to employees.

Finance Costs:

Finance costs in the fiscal year ended March 31, 2018 were ₹1.99 cr, a decrease of 4% over our finance costs of ₹2.08 cr in the fiscal year ended March 31, 2017. Finance costs relate to interest paid by the company on the credit facilities availed from the Banks/Financial institutions.

Travel related expenses:

Our travel related expenses stood at similar levels at ₹2.40 cr for the fiscal year ended March 31, 2018 and 2017.

Other Expenses:

Our other expenses decreased by 6% from ₹16.27 cr for the fiscal year ended March 31, 2017 to ₹15.23 cr for the fiscal year ended March 31, 2018.

Depreciation and Amortization:

Our Depreciation and amortization charge was ₹4.49 cr and ₹4.61 cr for the year ended March 31, 2018 and March 31, 2017 respectively representing 13% and 17% of revenues from operations for the year ended March 31, 2018 and March 31, 2017 respectively.

Exceptional Items:

Exceptional items for the fiscal year ended March 31, 2018 consists of diminution in the value of our investment made in our Italian subsidiary "Atanou S.r.l".

Highlights of our consolidated financial results

Revenues:

Our total revenues in the fiscal year ended March 31, 2018 were ₹35.59 cr, an increase of 29% over our total revenues of ₹27.57 cr in the fiscal year ended March 31, 2017.

Our revenues from operation in the fiscal year ended March 31, 2018 were ₹34.95 cr, an increase of 28% over our total revenues of ₹27.32 cr in the fiscal year ended March 31, 2017.

Our export revenues strengthened by 10 per cent from ₹21.30 cr in fiscal year ended 2017 to ₹23.51 cr in fiscal year ended 2018. Also domestic revenues strengthened by 90 per cent from ₹6.02 cr in fiscal year ended 2017 to ₹11.44 cr in fiscal year ended 2018.

Our revenues from "Collect" segment grew by 23% from ₹17.87 cr in the fiscal year ended 31st March 2017 to ₹21.91 cr in fiscal year ended 31st March 2018.

Revenues from "Create" segment grew by 63% from ₹6.61 cr in the fiscal year ended 31st March 2017 to ₹10.81 cr in the fiscal year ended 31st March 2018 primarily due to launch of our GST compliance platform.

Revenues from "Consume" segment dropped by 21% from ₹2.83 cr in the fiscal year ended 31st March 2017 to ₹2.23 cr in the fiscal year ended 31st March 2018.

Other Income:

Our other income primarily comprises of interest on bank deposits and foreign exchange gain/loss. Our other income in the fiscal year ended 31st March 2018 were ₹0.64 cr as compared to ₹0.25 cr in the fiscal year ended 31st March 2017. The increase is primarily due to increase in interest on fixed deposits from the unutilized money raised through IPO and parked in bank deposits.

Employee Costs:

Employee costs in the fiscal year ended March 31, 2018 stood at ₹20.42 cr, an increase of 15% over our employee costs of ₹17.76 cr in the fiscal year ended March 31, 2017. Employee costs relate to salaries and bonus paid to employees.

Finance Costs:

Finance costs in the fiscal year ended March 31, 2018 were ₹2.00 cr, a decrease of 4% over our finance costs of ₹2.08 cr in the fiscal year ended March 31, 2017. Finance costs relate to interest paid by the company on the credit facilities availed from the Banks/Financial institutions.

Travel related expenses:

Our travel related expenses stood at almost similar levels at ₹2.90 cr for the fiscal year ended March 31, 2018 and at Rs. 2.87 cr for March 31, 2017.

Other Expenses:

Our other expenses decreased by 3% from ₹14.78 cr for the fiscal year ended March 31, 2017 to ₹14.27 cr for the fiscal year ended March 31, 2018.

Depreciation and Amortization:

Our depreciation and amortization charge for the year was ₹4.49 cr and ₹4.63 cr for the year ended March 31, 2018 and March 31, 2017 respectively representing 13% and 17% of revenues from operations for the year ended March 31, 2018 and March 31, 2017 respectively.

3. STATE OF COMPANY AFFAIRS

The reporting year was significant for your company in many respects. Firstly, your company debuted in the capital markets through an Initial Public Offering (IPO). The funds raised have helped your company to strengthen its financial position and compete effectively in the global markets. Secondly, your company has widened its presence in the global markets with key wins in Malaysia, South Africa and Nepal. Finally, in the Indian markets, your company launched IRISGST, a cloud based GST compliance platform that has found good traction in the market.

Your company continues to execute its strategy to focus on the Regtech market and offer a suite of IP driven software products and solutions built around structured data. Your company continues to enjoy a leading position globally in reporting solutions built on the XBRL information standard.

The market for your company's structured data based offerings has continued to witness strong interest across segments such as regulators and enterprises. Countries across the world have adopted XBRL as the reporting standard for external reporting. Regulators across capital markets, banking, business registries and taxation are at the forefront of XBRL adoption. Adoption paves the way for your company to enter these countries through a two step process of solutions for regulators (the 'Collect' segment) followed by software to a range of filing entities (the 'Create' segment). Your company's regulatory filing platform, iFile already has more than twenty regulator clients across fifteen countries. More countries and regulators are expected to be added to the list. Multiple types of regulators and geographies have given your company an unparalleled depth of knowledge in the XBRL domain, which is leveraged in driving the software product strategy as well.

In the "Create" segment, your company's collaborative, cloud (SaaS) based XBRL filing authoring solution "IRIS Carbon®" now caters to clients in the USA, UK, Italy, South Africa and Indian markets. "IRIS

Carbon®" has an inbuilt versatility that enables your company to meet the needs of different regulatory mandates, build global scale while mitigating customer concentration risks. Your company has also leveraged its well recognised strengths in compliance reporting platforms to enter the GST compliance market in India through an integrated SaaS based GSP and ASP solution. This market is emerging and offers exciting opportunities.

4. TRANSFER TO RESERVE

The company does not propose to transfer any amount to reserves.

5. DIVIDEND AND TRANSFER TO IEPF

The Board of Directors does not recommend any dividend on equity shares.

The company was not required to transfer any unpaid/unclaimed amount of dividend to Investor Education and Protection Fund (IEPF) during the financial year ended 31st March, 2018.

6. CHANGE IN THE NATURE OF BUSINESS

There are no changes in the nature of business during the financial year ended 31st March, 2018.

7. MATERIAL CHANGES AND COMMITMENT, IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

During the year there were no material changes and commitment affecting financial position of the company between end of the financial year to which this financial statements relate and the date of the report.

8. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

During the year there were no significant material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the company and its future operations.

9. RISK AND CONCERN

The company operates in a global market characterised by intense competition. Although the company has a strong position in the area of external financial reporting and especially in XBRL based mandates, there is the need to have adequate marketing spend and product differentiation to establish presence and build market share. In addition, many regulators initially prefer to offer free tools to enterprises to create the regulatory filings which hamper market growth. Migration from free tools to paid platforms is a journey that takes time as well. Mature markets face pricing pressure and relatively high switching costs. In addition, even though XBRL as a data standard is widely adopted, competing data standards and the adoption of APIs could affect the market potential of XBRL specific software. The GST mandate in India is yet to be fully articulated as the

GST council has deferred invoice level reconciliation which is a big driver for adoption of third party compliance platforms. Moreover, the segment had witnessed intense competition in the year of GST introduction and there is no reason why the market would be less competitive in the years ahead.

10. RISK MANAGEMENT

Your company is aware of the risks associated with the business. The company is in the process of institutionalizing a mechanism for identifying, minimizing and mitigating risks which will be periodically reviewed.

Some of the risks identified and which will have the attention of the management are:

1. Securing critical resources including capital and human resources;
2. Ensuring cost competitiveness;
3. Building product differentiation and the appropriate value proposition
4. Maintaining and enhancing customer service standards.
5. Stepping up marketing and branding activities

11. DEPOSITS

The company had not accepted any deposits during the financial year ended 31st March, 2018 nor there were any unpaid/unclaimed deposits at the financial year ended on 31st March, 2018. Further as the company has never accepted deposits there have been no defaults in repayments thereof nor any non-compliance thereto.

12. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The company has the following subsidiaries:

1. IRIS Business Services (Asia) Pte. Ltd.
2. IRIS Business Services, LLC
3. Atanou S.r.l.

The company has not entered into any joint venture and doesn't have any associate company.

The audited consolidated financial statements pursuant to Section 129(3) of Companies Act, 2013 including financial results of the above subsidiaries forms part of Annual Report

13. PERFORMANCE AND FINANCIAL HIGHLIGHTS OF SUBSIDIARY COMPANIES AND THEIR CONTRIBUTION TO OVERALL PERFORMANCE OF THE COMPANY

The consolidated financial statements of the company, forms a part of this Annual Report. A Statement containing salient features of the financial statement of subsidiaries pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 are enclosed as Annexure

- 1 to this report.

14. SHARE CAPITAL

The Authorized Share Capital of the company was increased from ₹8,00,00,000 divided into 80,00,000 equity shares of ₹10/- to ₹25,00,00,000/- divided into 2,50,00,000 equity shares of ₹10/- in the Extra Ordinary General Meeting of the company held on 13th September 2017.

Further, The company has issued and allotted 69,37,581 Bonus Shares of ₹10/- each in the ratio of 1:1 i.e. one bonus share for every one share held to equity shareholders of the company which was approved in the Extra Ordinary General Meeting held on 13th September, 2017.

The company had issued 50,04,000 equity shares of ₹10/- each face value at ₹32/- per share to public through an Initial Public Offer (IPO). The IPO opened on 29.09.2017 and closed on 04.10.2017. The shares of the company were admitted to trading on BSE Limited (SME Platform) with effect from 11.10.2017.

- i. Issue of Equity Shares with Differential Rights: The company has not issued any equity shares with differential rights during the financial year ended 31st March, 2018.
- ii. Issue of Sweat Equity Shares: The company has not issued any Sweat Equity Shares during the financial year ended 31st March, 2018.
- iii. Issue of Employee Stock Options: The company has approved IRIS Employee Stock Options Scheme, 2017 (IRIS ESOP Scheme 2017) at the Extra Ordinary General Meeting held on 13th September, 2017. The Nomination and Remuneration Committee of the Board, inter-alia, administers and monitors the Employees Stock Option Scheme of the company in accordance with the applicable provisions of the SEBI Regulations. The Nomination and Remuneration Committee of the Board has on 9th October, 2017 granted total 7,00,000 Options to eligible employee(s) under the IRIS ESOP Scheme 2017. The details of Employee Stock Options Scheme as required under rule 9 of Companies (Share Capital and debentures) rules, 2014 and those under SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, to the extent applicable are provided in Annexure – 2 attached hereto.

There is no change to the share capital of the company from the end of the financial year to the date of this Report.

15. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The company has internal financial control and risk mitigation system which is constantly assessed and strengthened. The company also conducts an internal audit from time to time. The Audit Committee actively reviews the internal audit report, adequacy and effectiveness of the internal financial control and

suggests the improvements for the same.

16. DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS

The company has received necessary declarations and disclosures from the independent directors under Section 149(7) and Section 184(1) of the Companies Act, 2013 stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and disclosing their interest in form MBP-1.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL AND COMPOSITION OF BOARD

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the company's Articles of Association, Ms. Deepta Rangarajan, (DIN – 00404072), Whole Time Director, retires by rotation at the forthcoming eighteenth Annual General Meeting and being eligible has offered herself for re-appointment.

Mr. U. R. Bhat (DIN: 00008425) and Mr. Rakesh Kathotia (DIN: 00165880) resigned as a director of the company w.e.f. 03rd September, 2017 and 12th September, 2017 respectively.

Mr. Sanjoy Bhattacharya (DIN: 00059480) resigned as Director w.e.f. 24th November, 2017 and Mr. Partho Datta (DIN: 00040345) resigned w.e.f. 28th November, 2017.

Mr. Ashok Venkatramani (DIN: 02839145) and Mr. Bhaswar

Mukherjee (DIN: 01654539) joined the Board on 9th October, 2017 as Independent Directors.

Mr. Vinod Balmukand Agarwala (DIN: 01725158) joined the Board of the company on 27th November, 2017 as an Independent Director.

Mr. Balachandran Krishnan, Whole Time Director was additionally appointed as Chief Financial Officer of the company w.e.f. 11th September 2017. Mr. Rajesh Singh, (ICSI Membership No. ACS 50320) was appointed as Company Secretary & Compliance Officer of the company w.e.f. 11th September, 2017 and he resigned on 28th February, 2018.

Mr. Jay Mistry (ICSI Membership No. ACS 34264) was appointed by the Board as Company Secretary and Compliance Officer of the company w.e.f. 10th March, 2018.

Mr. Swaminathan Subramaniam, (DIN: 01185930), Ms. Deepta Rangarajan, (DIN: 00404072) and Mr. Balachandran Krishnan, (DIN: 00080055), were re-appointed by the Board of Directors of the company as Whole Time Director(s) of the company for a period of 3 years commencing from 1st May, 2018 on the recommendation of the Nomination and Remuneration Committee at its meeting held on 25th April, 2018 subject to the approval of the members at the ensuing Annual General Meeting of the company.

The composition of Board of Directors as on 31.03.2018 is as follows:

Sr. No.	Name of Director	DIN	Category
1.	Mr. Swaminathan Subramaniam	01185930	Promoter, Whole Time Director & CEO
2.	Mr. Balachandran Krishnan	00080055	Promoter, Whole Time Director & CFO
3.	Ms. Deepta Rangarajan	00404072	Promoter, Whole Time Director
4.	Mr. Narayan Seshadri	00053563	Non-Executive Independent Director
5.	Mr. Vinod Agarwala	01725158	Non-Executive Independent Director
6.	Mr. Ashok Venkatramani	02839145	Non-Executive Independent Director
7.	Mr. Bhaswar Mukherjee	01654539	Non-Executive Independent Director

Mr. Jay Mistry is the company Secretary & Compliance Officer and a Key Managerial Personnel (KMP) of the company.

18. BOARD MEETING(S)

The Board met six (6) times during the financial year ended 31st March, 2018. The meeting(s) were held on 22nd May, 2017, 11th September 2017, 13th September 2017, 9th October, 2017, 27th November, 2017 and 10th March 2018. The maximum interval between any two meetings did not exceed 120 days, as prescribed under the Companies Act, 2013.

Attendance of Director(s) at meeting(s) during the financial year 2017-18

Sr. No.	Name of the Director	Board meeting(s) attended
1.	Mr. Balachandran Krishnan	05
2.	Mr. Swaminathan Subramaniam	06
3.	Ms. Deepta Rangarajan	05
4.	Mr. Partho Datta*	01
5.	Mr. Narayan Seshadri	05

Sr. No.	Name of the Director	Board meeting(s) attended
6.	Mr. Rakesh Kathotia [@]	01
7.	Mr. U. R. Bhat [#]	0
8.	Mr. Sanjoy Bhattacharyya ^{&}	01
9.	Mr. Vinod B. Agarwala	01
10.	Mr. Bhaswar Mukherjee	02
11.	Mr. Ashok Venkatramani	02

* Mr. Partho Datta resigned from Directorship w.e.f. 28.11.17

@ Mr. Rakesh Kathotia resigned from Directorship w.e.f. 12.09.17

Mr. U. R. Bhat resigned from Directorship w.e.f. 03.09.17

& Mr. Sanjoy Bhattacharyya resigned from Directorship w.e.f. 24.11.17

19. COMMITTEES OF THE BOARD

I. AUDIT COMMITTEE

The company has constituted an Audit Committee in accordance with Section 177 of the Companies Act, 2013. The terms of reference of the Committee are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;

g) Qualifications in the draft audit report.

5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards

against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.

19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board.
20. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

- (a) Management discussion and analysis of financial information and results of operations;
- (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- (c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (d) Internal audit reports relating to internal control weaknesses; and
- (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee met two (2) times during the financial year ended 31st March, 2018 on 27th November, 2017 and on 10th March 2018.

The composition of the Audit Committee as on 31.03.2018 is as follows:

Name of the Committee Member	Category	No. of meetings held	No. of meeting(s) attended
Mr. Bhaswar Mukherjee (Chairman)	Independent Non-Executive Director	02	02
Mr. Vinod Agarwala	Independent Non-Executive Director	02	01
Mr. Ashok Venkatramani	Independent Non-Executive Director	02	02
Mr. Balachandran Krishnan	Whole time Director & CFO	02	02

II. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ('NRC') had formulated a policy for the Nomination and Remuneration of the Directors, Key Managerial Personnel (KMP) and Senior Management.

The terms of reference of the NRC are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

4. Devising a policy on Board diversity; and
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The company had adopted a Nomination and Remuneration policy (policy) in accordance with Section 178 of the Companies Act, 2013. The Policy is attached as Annexure – 3 to this report and is also available on the website of the company viz. www.irisbusiness.com.

The NRC met three (3) times during the financial year ended March 31, 2018. The meetings were held on 9th October, 2017, 27th November, 2017 and 10th March, 2018. The constitution and terms of reference of the committee are in compliance with the requirements of section 178 of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the NRC as on 31.03.2018 is as follows:

Sr. No.	Name of the Committee Member	Category	No. of meetings held	No. of meeting(s) attended
1	Mr. Ashok Venkatramani (Chairman)	Independent Non-Executive Director	3	1
2	Mr. Vinod Agarwala	Independent Non-Executive Director	3	1
3	Mr. Narayan Seshadri	Independent Non-Executive Director	3	3

III. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

The company has constituted a CSR Committee in accordance with Section 135 of the Companies Act, 2013. No meetings of the Committee were held during the financial year 2017-18. The Composition of the Committee as on 31st March, 2018 is as follows:

Sr. No.	Name of the Director	Category
1	Mr. Ashok Venkatramani (Chairman)	Independent Non-Executive Director
2	Ms. Deepta Rangarajan	Whole Time Director
3	Mr. Swaminathan Subramaniam	Whole Time Director & CEO

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

The company has constituted a Stakeholder's Relationship Committee in accordance with Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, specifically for the purposes of looking after the matter of handling and resolving shareholders / investors grievances. No meetings of the Committee were held during the financial year 2017-18.

The terms of reference of the Committee are as follows:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of security holder's/investor's complaints Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Allotment and listing of shares;
- Reference to statutory and regulatory authorities regarding investor grievances;
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances; and
- Any other power specifically assigned by the Board of Directors of the company.

The composition of the Committee as on 31st March, 2018 is as follows:

Sr. No.	Name of the Director	Category
1	Mr. Bhaswar Mukherjee (Chairman)	Independent Non-Executive Director
2	Ms. Deepta Rangarajan	Whole Time Director
3	Mr. Balachandran Krishnan	Whole Time Director & CFO

20. COMPLIANCE WITH SECRETARIAL STANDARD

During the period 1st April, 2017 to 31st March, 2018, the company complied with the Secretarial Standard – 1 and Secretarial Standard – 2, issued and revised by the Institute of Company Secretaries of India.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company has a CSR Committee and an approved CSR Policy in accordance with Section 135 of the Companies Act, 2013 read with rules made thereunder.

The company is exempt from mandatory CSR expenditure as per Rule 3(2) CSR Rules, 2014 due to not falling in criteria of CSR applicability for three consecutive years i.e. for financial years 2014-15, 2015-16 and 2016-17.

The company has on a voluntary basis provided disclosure in Annexure - 4 to this report in the prescribed format under Section 135 of the Companies Act, 2013, which is attached to this report.

Further, the composition of the CSR Committee is covered under 'Committee of the Board' part of the Directors' Report.

The CSR policy of the company is available on the website of the company viz - www.irisbusiness.com.

22. RELATED PARTY TRANSACTIONS

The details of transactions entered into by the company with related parties are at arm's length and in ordinary course of business. The details of the transactions as per section 188 of the Companies Act, 2013 and Rules framed thereunder are enclosed as Annexure - 5 in Form AOC-2, as required under Rule 8(2) of Companies (Accounts) Rules, 2014.

23. PARTICULARS OF REMUNERATION OF DIRECTORS, KMP AND EMPLOYEES AND DISCLOSURES IN BOARD'S REPORT

The disclosure on remuneration of Directors, Key Managerial

Personnel (KMP) and employees as required under the Companies Act, 2013 and rules made thereunder is provided in Annexure - 6 to this Report.

The information required under Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure - 6 forming part of this Report. In terms of first proviso to Section 136 of the Act, the Report and Accounts are being sent to the members excluding certain information covered under aforesaid Annexure. Any member interested in obtaining the same may write to the company Secretary at the Registered Office of the company. None of the employees listed in the said Annexure - 6 is related to any Director of the company.

24. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD

The Nomination and Remuneration Committee of the Board has formulated a Performance Evaluation Framework, under which the Committee has identified criteria upon which every Director, every Committee and the Board as a whole shall be evaluated. During the year under review the evaluation of every Director, every Committee and the Board had been carried out.

25. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is enclosed as Annexure -7 to this report.

26. STATUTORY AUDITORS

The members at the 15th Annual General Meeting ("AGM") had approved the appointment of M/s. M. P. Chitale & Co. as the statutory auditors of your Company for a period of five years to hold office as such till the conclusion of the sixth consecutive AGM subject to ratification of appointment by the members at every AGM.

As per Companies (Audit and Auditors) Amendment Rules, 2018 dated 7th May 2018 notified by the Ministry of Corporate Affairs, the requirement of ratification of Auditor's appointment has been relaxed. Accordingly ratification of Auditor's appointment is not sought by the Directors.

27. SECRETARIAL AUDITOR

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, M/s. Parikh & Associates, Practicing Company Secretaries, Mumbai, were appointed as a Secretarial Auditors of the company to conduct the Secretarial Audit of the company for financial year 2017-2018. The report of the Secretarial Auditor is enclosed as Annexure- 8.

28. INTERNAL AUDITOR

In terms of Section 138 of the Companies Act, 2013 and Rules made there under, M/s. Moore Stephens Singhi Advisors LLP, Chartered Accountants, Mumbai, the Internal Auditor of the company for the Financial Year 2017-18, have been appointed as Internal Auditors of the company for the Financial Year 2018-19. During the year, the company continued to implement its suggestions and recommendations to improve the control environment. Their scope of works includes, review of processes for safeguarding the assets of the company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas.

29. STATUTORY AUDITORS' REPORT

The Statements made by the Auditors in their report are self-explanatory and doesn't require any comments by the Board of Directors.

30. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report.

31. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT - 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are enclosed as Annexure 9 to this report.

32. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The company has not granted any loans to any persons or body corporate. Further the details of guarantees given and investments made as covered under the provisions of Section 186 of the Companies Act, 2013 forms part of notes to the standalone financial statements of the company.

33. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and information and based on the information and explanations provided to them by the company, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013 (the Act):

- a. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- c. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. That the directors had prepared the annual accounts on a going concern basis;
- e. That proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively;
- f. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

34. HUMAN RESOURCES / INDUSTRIAL RELATIONS, INCLUDING NUMBER OF PEOPLE EMPLOYED

Your company provides regular training to employees to improve skills. Your company has put in place a performance appraisal system that covers all employees. Your Company had 300 employees as on 31st March, 2018 while the employee count was 297 as on 31st March, 2017.

35. CORPORATE GOVERNANCE

The company being listed on the SME platform of BSE Limited is exempted from provisions of corporate governance as per Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Therefore no corporate governance report is annexed to this report. However your Company has complied with the relevant provision of the Companies Act, 2013 and rules thereunder with regards to formation of committees.

36. COMMITTEE AND POLICY UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has constituted Internal Complaints Committee under and as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no instance of complaint or report under the said Act was registered with the company.

37. WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company has Whistle Blower Policy / Vigil mechanism policy for the company to report to the management instances of unethical

behaviour, actual or suspected fraud or violation of the company's code of conduct.

38. CODE OF CONDUCT

The Board of Director has approved a Code of Conduct which is applicable to the members of the Board of Directors and Senior Management Personnel. It is confirmed that all Directors and Senior Management Personnel have affirmed their adherence to the provisions of the Code of Conduct during the financial year 2017-18. The declaration to this effect is enclosed to this report as Annexure 10.

39. MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

In terms of provisions of Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion & Analysis Report has been separately furnished in the Annual Report.

40. POLICIES AND DISCLOSURE REQUIREMENTS

In terms of provisions of the Act and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has adopted the following Policies. The policies are available on Company's website – <http://www.irisbusiness.com>

- Policy on Related Party Transactions
- Nomination and Remuneration Policy
- Corporate Social Responsibility Policy
- Code of Conduct for Director & Senior Management Personnel
- Material Subsidiary Policy
- Policy for Determination of Materiality of Events
- Policy for Preservation of Documents
- Terms and Condition of appointment of Independent Director
- Vigil Mechanism Policy
- Code for Prohibition of Insider Trading

The company's policy on Directors' appointment, remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 forms part of Nomination and Remuneration Policy.

41. ACKNOWLEDGEMENTS

Your Board takes this opportunity to thank all its employees for their dedicated service and firm commitment to the goals of the company. Your Board also wishes to place on record its sincere appreciation for the wholehearted support received from members, vendors, bankers and all other business associates. We look forward to continued support of all these partners in progress.

For and on behalf of the Board of Directors of IRIS Business Services Limited

Swaminathan Subramaniam

Whole Time Director & CEO

Date: 30th May, 2018

Place: Navi Mumbai

(DIN: 01185930)

Deepta Rangarajan

Whole Time Director

(DIN: 00404072)

Balachandran Krishnan

Whole Time Director & CFO

(DIN: 00080055)

Annexure - 1

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part - A Subsidiaries

(Information in respect to of each subsidiary to be presented with amounts in ₹)

Sr. No.	1	2	3
Name of the subsidiary	IRIS Business Services LLC	IRIS Business Services (Asia) Pte. Ltd.	Atanou S.r.l.
The date since when subsidiary was acquired	26.02.2010	07.07.2010	31.07.2015
Reporting period for the subsidiary concerned, if different from the holding company's reporting period. (start and end of accounting period)	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD Exchange rate used ₹ per unit for foreign currency BS 65.04, P & L 64.45	SGD Exchange rate used ₹ per unit for foreign currency BS 49.68, P & L 47.53	EURO Exchange rate used ₹ per unit for foreign currency BS 80.62, P&L 75.42
Share capital	7,02,975	1,13,82,041	7,12,000
Reserves and surplus	46,344	(1,45,63,215.47)	(5,18,125)
Total assets	22,87,344	74,12,924	5,61,044
Total Liabilities	22,87,344	74,12,924	5,61,044
Investments	-	-	-
Turnover	44,50,462	2,84,35,294	4,37,447
Profit before taxation	3,30,643	38,33,986	(5,53,521)
Provision for taxation	-	-	-
Profit after taxation	3,30,643	38,33,986	(5,53,521)
Proposed Dividend	-	-	-
Extent of shareholding (in percentage)	100%	98.36%	100%

- Names of subsidiaries which are yet to commence operations – NIL
- Names of subsidiaries which have been liquidated or sold during the year – NIL

Part B- Joint Ventures and associates

The company does not have any Associates nor has entered into joint ventures.

For and on behalf of the Board of Directors of IRIS Business Services Limited

Date: 30 th May, 2018	Swaminathan Subramaniam Whole Time Director & CEO (DIN: 01185930)	Deepta Rangarajan Whole Time Director (DIN: 00404072)	Balachandran Krishnan Whole Time Director & CFO (DIN: 00080055)
Place: Navi Mumbai			

Annexure - 2

DETAILS OF IRIS EMPLOYEES STOCK OPTION SCHEME, 2017

Date of shareholders' approval	13 th September, 2017
Total number of options approved under ESOS	7,00,000
Vesting requirements	Employee Stock Options granted under Scheme shall vest not earlier than 1 (One) year and not later than maximum Vesting Period of 4 (Four) years from the date of Grant and that different vesting period may be decided by the Nomination and Remuneration Committee (NRC) for employees at discretion of the NRC.
Exercise price or pricing formula	The Exercise Price per Option shall be determined by the Nomination and Remuneration Committee being not lesser than the face value of the Share underlying such Option as on date of Grant.
Maximum term of options granted	Nine years
Source of shares (primary, secondary or combination)	N.A.
Variation in terms of options	N.A.
Method used to account for ESOS - Intrinsic or fair value	Fair Value
Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	N.A.
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	N.A.
(a) options granted;	700,000
(b) options vested;	Nil
(c) options exercised;	Nil
(d) the total number of shares arising as a result of exercise of option;	Nil
(e) options lapsed;	Nil
(f) the exercise price;	₹32/- per Option
(g) variation of terms of options;	N.A.
(h) money realized by exercise of options;	N.A.
(i) total number of options in force;	700,000
(j) employee wise details of options granted to:—	
(i) key managerial personnel.	N.A.
(ii) any other employee who receives a grant of options in any one year of option amounting to five per cent or more of options granted during that year.	Refer Table -1 below
(iii) Identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	N.A.

A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Please refer note 30 to the standalone financials of the company
(b) the method used and the assumptions made to incorporate the effects of expected early exercise;	Please refer note 30 to the standalone financials of the company
(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Since shares of the company got listed only on the grant date and there is no history of share price trading, expected volatility had been derived from historic values NSE VIX index as on the Grant date.
(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	N.A.

Option movement during the year (For each ESOS)

Particulars	Details
Number of options outstanding at the beginning of the period	N.A.
Number of options granted during the year	7,00,000
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options (INR), if scheme is implemented directly by the company	N.A.
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	7,00,000
Number of options exercisable at the end of the year	Nil

Table - 1

Sr. No.	Name	Designation	Exercise Price (₹)	Options Granted
1	Shilpa Dhobale	XBRL Consulting Team - Head	₹32/- per Option	40,000
2	Arup Ganguly	Sales Lead		40,000
3	Rahul Dhamne	XBRL Consulting Team - Principal		40,000
4	Gautam Mahanti	Vice President - Enterprise Reporting		50,000
5	Pradip Dey	Head Delivery		40,000
6	Amit Saxena	VP - Product Engineering		40,000
7	Anand Padmanabhan*	Head – International Sales		1,00,000

*Employee of subsidiary - IRIS Business Services (Asia) Pte. Ltd.

For and on behalf of the Board of Directors of IRIS Business Services Limited

Date: 30th May, 2018
Place: Navi Mumbai

Swaminathan Subramaniam
Whole Time Director & CEO
(DIN: 01185930)

Deepta Rangarajan
Whole Time Director
(DIN: 00404072)

Balachandran Krishnan
Whole Time Director & CFO
(DIN: 00080055)

Annexure - 3

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

Introduction:

In pursuance of the company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act 2013, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination And Remuneration Committee and approved by the Board of Directors.

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented Managerial persons and create competitive advantage.
- In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 29th July, 2014.

Effective Date:

This policy shall be effective from 29th July, 2014.

Constitution of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of three Non Executive Independent Directors.

The Board has the power to reconstitute the Committee consistent

with the company's policy and applicable statutory requirement.

Definitions

- 'Board' means Board of Directors of the company.
- 'Directors' means Directors of the company.
- 'Committee' means Nomination and Remuneration Committee of the company as constituted or reconstituted by the Board.
- 'Company' means IRIS Business Services Limited.
- 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013.
- 'Key Managerial Personnel (KMP)' means-
 - i. Executive Chairman and / or Managing Director;
 - ii. Whole-time Director;
 - iii. Chief Financial Officer;
 - iv. Company Secretary;
 - v. Such other officer as may be prescribed under the applicable statutory provisions/ regulations.
- 'Senior Management' means personnel of the company occupying the position of Business Head of any unit / division of the company.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

APPLICABILITY

The Policy is applicable to:

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

GENERAL

This Policy is divided in three parts:

Part – A : covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B : covers the appointment and nomination; and

Part – C : covers remuneration and perquisites etc.

The key features of this Company's policy shall be included in the Board's Report.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term / Tenure:

1. Managing Director/Whole-time Director:

The company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the company and will be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

EVALUATION:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

REMOVAL:

Due to reasons for any disqualification mentioned in the Companies Act, 2013 and the rules framed thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

RETIREMENT:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the company.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

GENERAL:

The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/ commission etc. shall

be subject to the prior/post approval of the shareholders of the company and Central Government, wherever required.

The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage/slabs/ conditions laid down in the Articles of Association of the company and as per the provisions of the Companies Act, 2013, and the rules framed thereunder.

Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

Remuneration to Whole-time/Executive/Managing Director, KMP and Senior Management Personnel:

1. Fixed pay:

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the company has no profits or its profits are inadequate, the company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the company and until such sum is refunded, hold it in trust for the company. The company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

• Remuneration to Non- Executive / Independent Director:

Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the company and the Companies Act, 2013 and the rules made thereunder.

Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof provided that the amount of such fees shall not exceed ₹ One Lakh per meeting of the Board or Committee, or such amount as may be prescribed by the Central Government from time to time.

Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the company computed as per the applicable provisions of the Companies Act, 2013.

Stock Options:

An Independent Director shall not be entitled to any stock option of the company.

Annexure - 4

CORPORATE SOCIAL RESPONSIBILITY

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

The CSR policy has been formulated for indicating the activities to be undertaken by the company in compliance with the provisions of Section 135 of the Companies Act, 2013 and Rules framed thereunder and to recommend the amount of expenditure to be incurred on CSR Activities as enumerated in Schedule VII of the Companies Act, 2013 and monitor the CSR Policy of the company periodically.

A detailed copy of the Corporate Social Committee policy is available on the website of the company viz. www.irisbusiness.com

2. The Composition of the CSR Committee is as follows:

Sr. No.	Name of the Committee Member	Category
1	Mr. Ashok Venkatramani (Chairman)	Non-Executive, Independent Director
2	Ms. Deepta Rangarajan	Whole time Director
3	Mr. Swaminathan Subramaniam	Whole time Director & CEO

3. Average net profit/(loss) of the company for last three financial years

The average net loss of the company for last three financial years is ₹(63,37,627.55).

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)

Given the company has been incurring losses, the company is not required by law to spend any funds on CSR.



5. Details of CSR spent during the financial year.

- Total amount to be spent for the financial year - N.A. (refer point no. 6)
- Amount unspent, if any - N.A. (refer point no. 6)
- Manner in which the amount spent during the financial year is detailed below. - N.A. However, the expenditure made by the company during the reporting period on a voluntary basis is given below:

CSR project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs are undertaken	Amount Outlay (budget) project or programs wise	Amount spend on the projects or programs Sub head : (1) Direct expenditure on project or programs (2) Overheads During the F.Y. 2017-18	Cumulative expenditure upto the reporting period.	Amount spend: Direct or through implementing agency
For the Sports Authority of India (SAI), IRIS has conceptualized, built and commissioned a 'National Talent Hunt Portal', a digital platform to connect emerging sports talent with SAI. The portal is conceived as a full-fledged digital ecosystem incorporating online application, evaluation, supervision and a workflow.	Sports promotion	This was carried out as an SAI initiative that lends itself a nationwide reach.	-	Direct expenditure - ₹11.54 lakhs Overheads – The company's own software team was involved in development activities	-	Amount was spent directly

6. Reasons for not spending the full amount of CSR :

The company has incurred a Loss during the F.Y. 2017-18 and in the preceding two financial years and hence has not spent any amount on CSR.

Further the company is exempt from mandatory CSR expenditure as per Rule 3(2) CSR Rules, 2014 due to not falling in criteria of CSR applicability for three consecutive years i.e. for financial years 2014-15, 2015-16 and 2016-17. Hence the above disclosures has been made by the company on a voluntarily basis.

The company has a CSR Committee and an approved CSR Policy.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

We hereby confirm that the company has implemented and monitored the CSR Policy in Compliance with CSR Objectives and Policy of the company.

For and on behalf of the Board of Directors of IRIS Business Services Limited

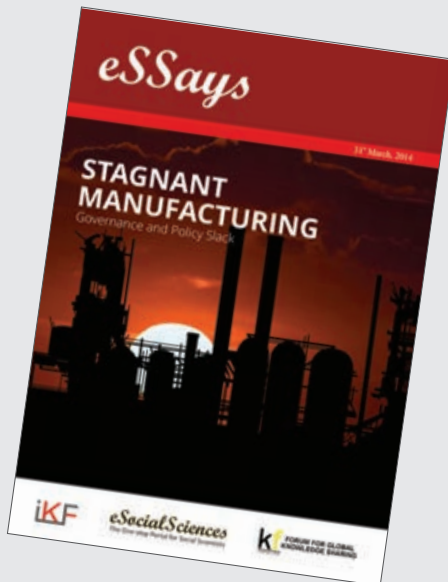
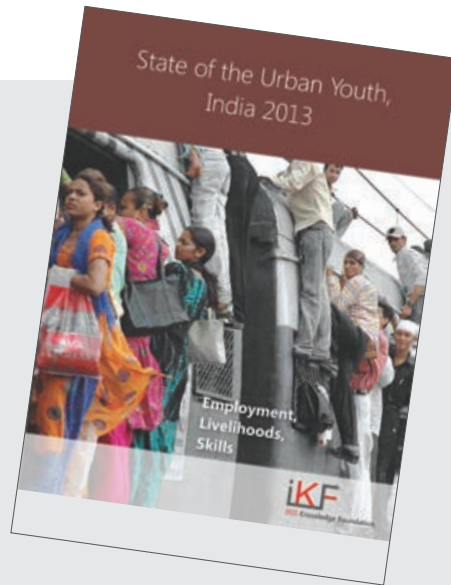
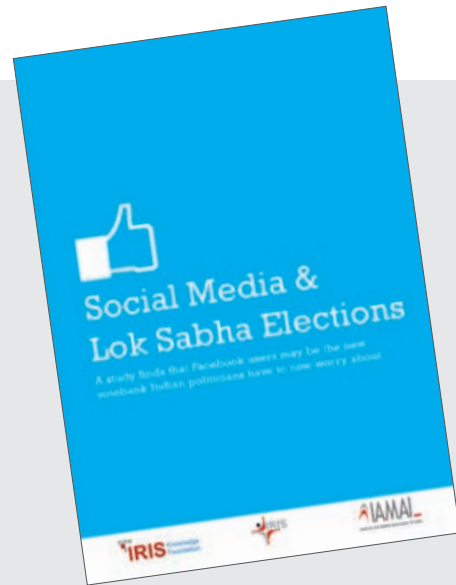
Date: 30 th May, 2018	Swaminathan Subramaniam Member of CSR Committee	Ashok Venkatramani Chairman of CSR Committee	Deepta Rangarajan Member of CSR Committee
Place: Navi Mumbai	(DIN: 01185930)	(DIN: 02839145)	(DIN: 00404072)



We are good with data. From time to time we publish research when we spot a trend that has the potential to usher fundamental change. The research is conducted by IRIS Knowledge Foundation which we set up to undertake not for profit initiatives

Today, IKF owns and operates esocialsciences, a web based initiative to promote social sciences research in India. IKF also runs YESS which is more focused on creating a platform for young scholars to publish.

Perhaps the research that made IKF famous was published more than a year before the last Lok Sabha. We stuck our neck out and declared that the Lok Sabha elections in 2014 would be India's first FaceBook elections. Many were those that laughed at us. Some were puzzled and wanted to know more. Yet others could not care less. Everybody knows how it turned out. Many parties called us to help them with their digital strategy. We were tempted but that was not our business, so we politely said no and stayed away.



Annexure - 5

FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sr. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	NIL
2.	Nature of contracts /arrangements / transaction	
3.	Duration of the contracts / arrangements / transaction	
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	
5.	Justification for entering into such contracts or arrangements or transactions'	
6.	Date of approval by the Board	
7.	Amount paid as advances, if any	
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details						
1.	Name (s) of the related party & nature of relationship	Atanou S.R.L	IRIS Business Services, LLC	IRIS Knowledge Foundation	IRIS Business Services (Asia) Pte Ltd	FinX Solutions	TVS Wealth Private Limited	TVS Electronics Limited
2.	Nature of contracts / arrangements / transaction	Provide Computer Software and XBRL Services	Avail marketing support services	Rental Income	Avail marketing support services	Provide Computer Software services	Render XBRL conversion services	Render XBRL conversion services
3.	Duration of the transaction	Financial Year 2017-18						
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	At arms length price and in ordinary course of business	At arms length price and in ordinary course of business	At arms length price and in ordinary course of business	At arms length price and in ordinary course of business	At arms length price and in ordinary course of business	At arms length price and in ordinary course of business	At arms length price and in ordinary course of business
5.	Value of transaction	No Transaction	₹44,50,462/-	₹3,60,000/-	₹2,84,35,293/-	₹55,93,639/-	₹10,000/-	₹4,70,000/-
6.	Date of approval by the Board	Not applicable as the transactions entered are at arm's length price and in ordinary course of business as provided under Section 188(1) of the Companies Act, 2013						
7.	Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil	Nil	Nil

There were no material transactions during the financial year 2017-18 with related parties.

For and on behalf of the Board of Directors of IRIS Business Services Limited

Date: 30th May, 2018
Place: Navi Mumbai

Swaminathan Subramaniam
Whole Time Director & CEO
(DIN: 01185930)

Deepta Rangarajan
Whole Time Director
(DIN: 00404072)

Balachandran Krishnan
Whole Time Director & CFO
(DIN: 00080055)

Annexure - 6

DETAILS OF THE REMUNERATION OF DIRECTORS, KMP'S AND EMPLOYEES

{Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.}

- 1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2017-18 are as under:

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for F.Y. 2017-18 (₹)	% Increase in Remuneration in the FY 2017-18	Ratio of Remuneration of each Director to median remuneration of employees
1	Mr. Swaminathan Subramaniam, Whole Time Director & CEO	30,00,000	0	6.17 : 1
2	Ms. Deepta Rangarajan, Whole Time Director	30,00,000	0	6.17 : 1
3	Mr. Balachandran Krishnan, Whole Time Director & CFO	30,00,000	0	6.17 : 1
4	Mr. Jay Mistry, Company Secretary & Compliance Officer	73,000*	N.A.*	N.A.*

* Details are not applicable as Mr. Jay Mistry was appointed as Company Secretary (KMP) by the Board with effect from 10th March, 2018. *The total remuneration received by Mr. Mistry as an employee during the year was ₹ 2,93,548/- which includes remuneration of ₹ 73,000/- received as Key Managerial Personnel (KMP).

- 2) The median remuneration of employees of the company for the financial year 2017-18 was ₹4.86 Lakhs. For the financial year ended 2017-18, the median remuneration of employees was 4.12% higher compared to previous year.

- 3) There were 300 permanent employees on the Payroll of the company as on 31st March 2018 as compared to 297 employees as on 31st March, 2017.

- 4) Average percentage increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration:

The average percentage increase made in the salaries of employees other than the managerial personnel was 6.50%. There was no increase in the Managerial Remuneration during the financial year.

- 5) Affirmation that the Remuneration is as per the Remuneration Policy of the company:

It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the company.

6) Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (A) Employed throughout the financial year under review and in receipt of remuneration for the financial year in the aggregate of not less than ₹1,02,00,000/- per annum: None
- (B) Employed for the part of the financial year under review and in receipt of remuneration at the rate of not less than ₹8,50,000/- per month: None
- (C) There was no employee either throughout the financial year or part thereof who was in receipt of remuneration which in the aggregate was in excess of that drawn by the Managing Director or Whole-time Director and who held by himself or alongwith his spouse or dependent children two percent of the Equity Shares of the company.
- (D) None of the employees covered under Rule 5(2) and 5(3) are a relative of any Director of the company.

7) Additional Disclosure as per Section II of Schedule V – Conditions for appointment and payment of remuneration of managerial personnel

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors:

The details have been provided under the extract of Annual Return. None of the Directors of the company are given any Stock Options.

- (ii) Details of fixed component and performance linked incentives along with the performance criteria:

The terms of remuneration of Whole Time Directors (WTDs) are as approved by the resolution of the Board of Directors. The Non-Executive Directors (NEDs) are entitled to receive sitting

fees for attending the meeting of the Board and the Audit Committee.

- (iii) Service contracts, notice period, severance fees:

There is no service contract between the Whole Time Directors (WTDs) – Mr. Swaminathan Subramaniam, Ms. Deepta Rangarajan and Mr. Balachandran Krishnan. Their terms of appointment are governed by the resolution of the Board of Directors. The Notice period and severance fees are not applicable to the WTDs.

- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable: No stock Options are issued to the WTDs or any of the Directors during the financial year.

For and on behalf of the Board of Directors of IRIS Business Services Limited

Date: 30th May, 2018

Place: Navi Mumbai

Swaminathan Subramaniam

Whole Time Director & CEO

(DIN: 01185930)

Deepta Rangarajan

Whole Time Director

(DIN: 00404072)

Balachandran Krishnan

Whole Time Director & CFO

(DIN: 00080055)

Annexure - 7

PARTICULARS IN REGARDS TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO THE COMPANIES (ACCOUNT) RULES, 2014.

(A) Conservation of energy

- i. The steps taken or impact on conservation of energy: As the company is not engaged in any manufacturing activity the consumption of energy is relatively low. And company takes reasonable steps to conserve energy at its office.
- ii. The steps taken by the company for utilizing alternate source of energy: NIL
- iii. The Capital Investment on energy conservation equipments: NIL

(B) Technology absorption

- i. The efforts made towards technology absorption:
 - (a) The company has made a conscious decision to embrace cloud based technologies and a virtualized environment for internal development activities.
 - (b) The company's key products IRIS Carbon® and IRISGST are offered using cloud based technologies. The IRISGST product has adopted an API based architecture which is in consonance with what GSTN, the government GST network has incorporated as well. In addition, the company has used NoSQL based database technology in both IRISGST and the data consumption platform. There is also focus on adopting mobile technologies starting with the GST compliance offering. A mobile app, IRIS Peridot has already been launched for public consumption enabling counterparty compliance check and GSTIN verification.

- ii. The benefits derived like product improvement, cost reduction, product development or import substitution: Adoption of cloud based technologies gives significant advantages in terms of user experience as well as operational and cost efficiencies. The API based technologies the company has invested in helps in building products that are in the sync with the emerging eco system and is a source of competitive advantage.
- iii. In case of imported technology (imported during last three years reckoned from beginning of financial year):
 - (a) Details of technology imported: Nil
 - (b) Year of Import: Nil
 - (c) Whether technology has been fully absorbed: Nil
 - (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof: Nil
- iv. The expenditure incurred on Research and Development: Capital Expenditure for IRISGST Platform during the year 2017-18: ₹2,62,51,528, As a percentage of total revenue: 7.43%

(C) Foreign exchange earnings and outgo

- i. The Earnings in foreign Exchange during the financial year 2017-18: ₹22,78,22,045/-
- ii. The outgo in foreign exchange during the financial year 2017-18: ₹5,54,16,869/-

For and on behalf of the Board of Directors of IRIS Business Services Limited

Date: 30th May, 2018
Place: Navi Mumbai

Swaminathan Subramaniam
Whole Time Director & CEO
(DIN: 01185930)

Deepti Rangarajan
Whole Time Director
(DIN: 00404072)

Balachandran Krishnan
Whole Time Director & CFO
(DIN: 00080055)

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2018

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
IRIS Business Services Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IRIS Business Services Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The company got listed on the SME Platform of BSE Limited with effect from 11th October, 2017.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 generally complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules

and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the audit period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the company during the audit period) and;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the audit period).
- (vi) Other laws specifically applicable to the company namely;
 - (a) The company is registered as N-STPI unit under Software Technology Parks of (STPI), a society set up by the Ministry of Electronics & Information Technology (MeitY), Government of India. STPI is statutory body.
 - (b) Information Technology Act, 2000

- (c) Trademarks Act, 1999
- (d) Patents Act, 1970 as amended from time to time.
- (e) Copyright Act, 1957

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the company with BSE read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review

were generally carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following events occurred which had bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

1. The company came out with an Initial Public Offering (IPO) during the months of September and October, 2017. Accordingly the shares of the company were then listed on SME Platform of BSE Limited with effect from 11th October, 2017.

Place: Mumbai
Date: May 30, 2018

For Parikh & Associates

Company Secretaries

Mitesh Dhabliwala

Partner

FCS No: 8331 CP No: 9511

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'Annexure A'

To,
The Members
IRIS Business Services Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Parikh & Associates

Company Secretaries

Mitesh Dhabliwala

Partner

FCS No: 8331 CP No: 9511

Place: Mumbai

Date: May 30, 2018

Annexure - 9

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

1. CIN	:	U72900MH2000PLC128943
2. Registration Date	:	03-10-2000
3. Name of the company	:	IRIS Business Services Limited
4. Category/Sub-category of the company	:	Public Company Limited by Shares
5. Address of the Registered office & contact details	:	T-231, Tower 2, 3 rd Floor, International Infotech Park, Vashi-400703, Navi Mumbai.
6. Whether listed company	:	Yes
7. Details of the Stock Exchanges where shares are listed	:	BSE Limited
8. Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	Ms. Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083, Maharashtra.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Software Products and Solutions	5820	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	IRIS Business Services (Asia) Pte. Ltd.	Company No. - 201200667K	Subsidiary	98.36%	2(87)
2	IRIS Business Services, LLC	-	Subsidiary	100%	2(87)
3	Atanou S.r.l.	Company Registration No. - 2073449	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

A. Promoters

(1) Indian

a) Individual/ HUF	37,09,110	-	37,09,110	53.46%	74,22,220	-	74,22,220	39.31%	(14.15%)*
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	-
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	-
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	-
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	-
f) Any other	-	-	-	0.00%	-	-	-	0.00%	-
Sub Total (A) (1)	37,09,110	-	37,09,110	53.46%	74,22,220	-	74,22,220	39.31%	(14.15%)*

(2) Foreign

a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	-
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	-
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	-
d) Any other	-	-	-	0.00%	-	-	-	0.00%	-
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	-
TOTAL (A)	37,09,110	-	37,09,110	53.46%	74,22,220	-	74,22,220	39.31%	(14.15%)*

B. Public Shareholding

1. Institutions

a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	-
b) Banks / FI	-	-	-	0.00%	4,000	-	-	0.02%	0.02%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	-
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	-
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	-
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	-
g) FIs	-	-	-	0.00%	-	-	-	0.00%	-
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	-
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	-
Sub-total (B)(1):-	-	-	-	0.00%	4,000	-	-	0.02%	0.02%

2. Non-Institutions

a) Bodies Corp.									
i) Indian	-	27,15,527	27,15,527	39.14%	58,18,908	7,52,780	65,71,688	34.81%	(4.33)%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh		104,375	104,375	1.50%	1,21,6949	83,600	13,00,549	6.89%	5.39%
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	4,08,569	4,08,569	5.89%	25,71,262	3,60,536	29,31,798	15.53%	9.64%
c) Others (specify)	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
HUF	-	-	-	0.00%	3,88,000	-	3,88,000	2.06%	2.06%
Non Resident Indians	-	-	-	0.00%	76,000	-	76,000	0.40%	0.40%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	-
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	-
Clearing Members	-	-	-	0.00%	1,76,907	-	1,76,907	0.94%	0.94%
Trusts	-	-	-	0.00%	8,000	-	8,000	0.04%	0.04%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	-
Sub-total (B)(2):	-	32,28,471	32,28,471	46.54%	1,02,56,026	11,96,916	1,14,52,942	60.66%	14.12%
Total Public (B)	-	32,28,471	32,28,471	46.54%	102,60,026	11,96,916	1,14,56,942	60.69%	14.15%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	-
Grand Total (A+B+C)	37,09,110	32,28,471	69,37,581	100.00%	1,76,82,246	11,96,916	18,87,91,62	100.00%	-

* The company allotted 50,04,000 equity shares to public shareholders in IPO in October, 2017

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01-Apr-2017)			Shareholding at the end of the year (31-March-2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Swaminathan Subramaniam	24,36,084	35.11%	-	48,72,168	25.81%	Nil	(9.03)
2	Deepta Rangarajan	7,21,026	10.39%	-	14,46,052	7.66%	Nil	(2.73)
3	Balachandran Krishnan	5,52,000	7.95%	-	11,04,000	5.85%	Nil	(2.1)

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

Sr. No.	Particulars	Date	Reason for Change (Sale/ Purchase etc.)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares@	No. of shares	% of total shares@
1	Swaminathan Subramaniam Promoter, Whole Time Director & CEO						
	At the beginning of the year	01-Apr-17		24,36,084	35.11%	24,36,084	35.11%
	Changes during the year	13-Sep-17	Bonus	24,36,084	17.56%	48,72,168	35.11%
	At the end of the year	31-Mar-18		48,72,168	25.81%	48,72,168	25.81%
2	Deepta Rangarajan, Promoter & Whole Time Director						
	At the beginning of the year	01-Apr-17		7,21,026	10.39%	7,21,026	10.39%
	Changes during the year	13-Sep-17	Bonus	7,21,026	5.20%	14,42,052	10.39%
	Changes during the year	18-Oct-17	Purchase	4,000	0.02%	14,46,052	7.66%
	At the end of the year	31-Mar-18		14,46,052	7.66%	14,46,052	7.66%

Sr. No.	Particulars	Date	Reason for Change (Sale/ Purchase etc.)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares@	No. of shares	% of total shares@
3	Balachandran Krishnan, Promoter, Whole Time Director & CFO						
	At the beginning of the year	01-Apr-17		5,52,000	7.96%	5,52,000	7.96%
	Changes during the year	13-Sep-17	Bonus	5,52,000	3.98%	11,04,000	7.96%
	At the end of the year	31-Mar-18		11,04,000	5.85%	11,04,000	5.85%

@ The Promoters' shareholding percentage diluted due to allotment of total 50,04,000 shares to Public in IPO in October, 2017

(iv) Shareholding Pattern of top ten shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares@	No. of shares	% of total shares@
1	Vistra ITCL India Limited						
	At the beginning of the year	01-Apr-17		19,53,799	28.16%	19,53,799	28.16%
	Changes during the year	13-Sep-17	Bonus	19,53,799	14.08%	39,07,598	28.16%
	At the end of the year	31-Mar-18		39,07,598	20.70%	39,07,598	20.70%
2	Madhuri Kela						
	At the beginning of the year	01-Apr-17		0	0	0	0
	Changes during the year	09-Oct-17	Allotment in IPO	10,72,000	5.68%	10,72,000	5.68%
	At the end of the year	31-Mar-18		10,72,000	5.68%	10,72,000	5.68%
3	Millennium Developers Pvt. Ltd.						
	At the beginning of the year	01-Apr-17		2,70,000	3.89%	2,70,000	3.89%
	Changes during the year	13-Sep-17	Bonus	2,70,000	1.95%	5,40,000	3.89%
	At the end of the year	31-Mar-18		5,40,000	2.86%	5,40,000	2.86%
4	Edelcap Securities Limited*						
	At the beginning of the year	01-Apr-17		0	0	0	0
	Changes during the year	13-Oct-17	Transfer	7,64,000	4.05%	7,64,000	4.05%
		20-Oct-17	Sale	12,000	0.06%	7,52,000	3.98%
		27-Oct-17	Sale	2,48,000	1.31%	5,04,000	2.67%
	At the end of the year	31-Mar-18		5,04,000	2.67%	5,04,000	2.67%
5	Valuable Infrastructure Pvt. Ltd.						
	At the beginning of the year	01-Apr-17		2,34,160	3.38%	2,34,160	3.38%
	Changes during the year	13-Sep-17	Bonus	2,34,160	1.69%	4,68,320	3.38%
	At the end of the year	31-Mar-18		4,68,320	2.48%	4,68,320	2.48%
6	Pinky Ventures Private Limited						
	At the beginning of the year	01-Apr-17		1,50,293	2.17%	1,50,293	2.17%
	Changes during the year	13-Sep-17	Bonus	1,50,293	1.08%	3,00,586	2.17%
	At the end of the year	31-Mar-18		3,00,586	1.59%	3,00,586	1.59%

Sr. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares@	No. of shares	% of total shares@
7	Mr. Vijay Gupta & Mrs. Rashmi Gupta						
	At the beginning of the year	01-Apr-17		1,50,293	2.17%	1,50,293	2.17%
	Changes during the year	13-Sep-17	Bonus	1,50,293	1.08%	3,00,586	2.17%
	At the end of the year	31-Mar-18		3,00,586	1.59%	3,00,586	1.59%
8	IRIS Employee Wellness LLP						
	At the beginning of the year	01-Apr-17		1,24,310	1.79%	1,24,310	1.79%
	Changes during the year	13-Sep-17	Bonus	1,24,310	0.90%	2,48,620	1.79%
	At the end of the year	31-Mar-18		2,48,620	1.32%	2,48,620	1.32%
9	Shailesh Gupta						
	At the beginning of the year	01-Apr-17		97,128	1.40%	97,128	1.40%
	Changes during the year	13-Sep-17	Bonus	97,128	0.70%	1,94,256	1.40%
	At the end of the year	31-Mar-18		1,94,256	1.03%	1,94,256	1.03%
10	Asit C. Mehta Investment Intermmediates Limited						
	At the beginning of the year	01-Apr-17		0	0	0	0
		09-Oct-17	Allotment in IPO	2,60,000	1.38%	-	1.38%
	Changes during the year	20-Oct-17	Sale	32,000	0.17%	2,28,000	1.21%
		27-Oct-17	Sale	32,000	0.17%	1,96,000	1.04%
		10-Nov-17	Sale	12,000	0.06%	1,84,000	0.97%
		17-Nov-17	Sale	4,000	0.02%	1,80,000	0.95%
		01-Dec-17	Sale	4,000	0.02%	1,76,000	0.93%
		08-Dec-17	Purchase	4,000	0.02%	1,80,000	0.95%
		22-Dec-17	Sale	8,000	0.04%	1,72,000	0.91%
		29-Dec-17	Sale	12,000	0.06%	1,60,000	0.85%
		30-Dec-17	Purchase	4,000	0.02%	1,64,000	0.87%
		05-Jan-18	Sale	4,000	0.02%	1,60,000	0.85%
		19-Jan-18	Purchase	8,000	0.04%	1,68,000	0.89%
		26-Jan-18	Sale	4,000	0.02%	1,64,000	0.87%
		09-Feb-18	Purchase	8,000	0.04%	1,72,000	0.91%
		16-Feb-18	Sale	4,000	0.02%	1,68,000	0.89%
		23-Feb-18	Sale	4,000	0.02%	1,64,000	0.87%
		02-Mar-18	Sale	4,000	0.02%	1,60,000	0.85%
		09-Mar-18	Sale	8,000	0.04%	1,52,000	0.81%
		31-Mar-18	Purchase	16,000	0.08%	1,68,000	0.89%
	At the end of the year	31-Mar-18		1,68,000	0.89%	1,68,000	0.89%

*Edelcap Securities Limited (Edelcap) were allotted 8,36,000 shares (4.43%) in the IPO of the company. As on 13th October, 2017 Edelcap held 7,64,000 shares (4.04%) in the company. As at 31st March, 2018 Edelcap held 5,04,000 shares (2.67%) in the company.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares@	No. of shares	% of total shares@
1	Mr. Swaminathan Subramaniam, Whole Time Director & CEO						
	At the beginning of the year	01-Apr-17		24,36,084	35.11%	24,36,084	35.11%
	Changes during the year	13-Sep-17	Bonus	24,36,084	17.56%	48,72,168	35.11%
	At the end of the year	31-Mar-18		48,72,168	25.81%	48,72,168	25.81%
2	Mr. Balachandran Krishnan, Whole Time Director & CFO						
	At the beginning of the year	01-Apr-17		5,52,000	7.96%	5,52,000	7.96%
	Changes during the year	13-Sep-17	Bonus	5,52,000	3.98%	11,04,000	7.96%
	At the end of the year	31-Mar-18		11,04,000	5.85%	11,04,000	5.85%
3	Ms. Deepta Rangarajan, Whole Time Director						
	At the beginning of the year	01-Apr-17		7,21,026	10.39%	7,21,026	10.39%
	Changes during the year	13-Sep-17	Bonus	7,21,026	5.20%	14,42,052	10.39%
	Changes during the year	18-Oct-17	Purchase	4,000	0.02%	14,46,052	7.66%
	At the end of the year	31-Mar-18		14,46,052	7.66%	14,46,052	7.66%
4	Mr. Narayan Seshadri						
	At the beginning of the year	01-Apr-17		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-18		-	0.00%	-	0.00%
5	Mr. Ashok Venkatramani						
	At the beginning of the year	01-Apr-17		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-18		-	0.00%	-	0.00%
6	Mr. Bhaswar Mukherjee						
	At the beginning of the year	01-Apr-17		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-18		-	0.00%	-	0.00%
7	Mr. Vinod Agarwala						
	At the beginning of the year	01-Apr-17		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-18		-	0.00%	-	0.00%
8	Mr. Jay Mistry, Company Secretary						
	At the beginning of the year	01-Apr-17		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-18		-	0.00%	-	0.00%

V. INDEBTEDNESS

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

(Amt. ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,00,48,200	-	-	12,00,48,200
ii) Interest due but not paid	10,99,115	-	-	10,99,115
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12,11,47,315	Nil	-	12,11,47,315
Change in Indebtedness during the financial year				
* Addition	-	3,00,00,000	-	3,00,00,000
* Reduction	(2,95,80,896)	(3,00,00,000)	-	(5,95,80,596)
Net Change	(2,95,80,596)	-	-	(2,95,80,596)
Indebtedness at the end of the financial year				
i) Principal Amount	9,15,66,719	-	-	9,15,66,719
ii) Interest due but not paid	8,90,503	-	-	8,90,503
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9,24,57,222	-	-	9,24,57,222

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
	Name	Mr. Balachandran Krishnan	Ms. Deepta Rangarajan	Mr. Swaminathan Subramaniam	(₹)
	Designation	Whole-time Director & CFO	Whole-time Director	Whole-time Director & CEO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28,00,000	28,00,000	28,00,000	84,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, (Unpaid Bonus)	2,00,000	2,00,000	2,00,000	6,00,000
	Total (A)	30,00,000	30,00,000	30,00,000	90,00,000
	Ceiling as per the Act	84,00,000	84,00,000	84,00,000	2,52,00,000

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
1	Independent Directors	Mr. Narayan Seshadri	Mr. Ashok Venkatramani	Mr. Bhaswar Mukherjee	Mr. Vinod Agarwala	
	Fee for attending board and committee meetings	60,000	80,000	80,000	80,000	3,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	60,000	80,000	80,000	80,000	3,00,000
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	Nil	-	-	-	-
	Total (B)=(1+2)	60,000	80,000	80,000	80,000	3,00,000
	Total Managerial Remuneration	60,000	80,000	80,000	80,000	3,00,000
	Overall Ceiling as per the Act	-	-	-	-	-

Mr. Partho Datta, who ceased to be Director we.f. 28.11.2017 was paid sitting fees of ₹40,000/- during the year 2017-18.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name	Mr. Balachandran Krishnan	Mr. Jay Mistry	(₹)
	Designation	WTD & CFO	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28,00,000	73,000*	28,73,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, (Unpaid Bonus)	2,00,000	-	2,00,000
	Total	30,00,000	73000*	30,73,000

* Mr. Jay Mistry was appointed as Company Secretary (KMP) by the Board with effect from 10th March, 2018. The total remuneration received by Mr. Mistry as an employee during the year was ₹ 2,93,548/- which includes remuneration of ₹ 73,000/- received as Key Managerial Personnel (KMP).

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY -					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

For and on behalf of the Board of Directors of IRIS Business Services Limited

Date: 30th May, 2018
Place: Navi Mumbai

Swaminathan Subramaniam
Whole Time Director & CEO
(DIN: 01185930)

Deeptha Rangarajan
Whole Time Director
(DIN: 00404072)

Balachandran Krishnan
Whole Time Director & CFO
(DIN: 00080055)

ANNEXURE - 10

DECLARATION

To,
The Members of,
IRIS Business Services Limited

I, Swaminathan Subramaniam, Whole Time Director & CEO of IRIS Business Services Limited, hereby declare that as of 31st March, 2018, all the Board Members and Senior Management have affirmed compliance with the Code of Conduct laid down by the company.

For IRIS Business Services Limited

Date: 30th May, 2018
Place: Navi Mumbai

Swaminathan Subramaniam
Whole Time Director & CEO

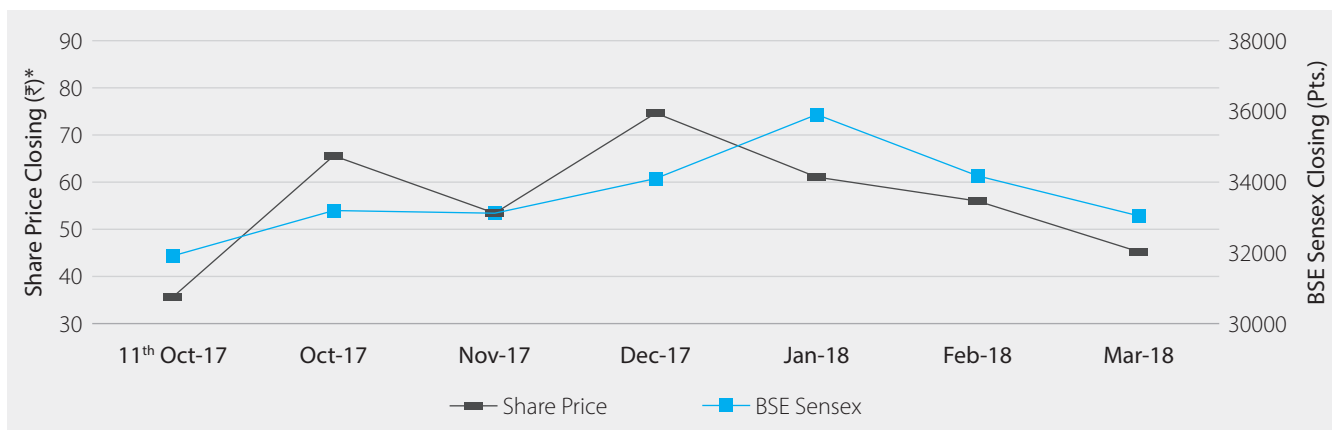
General Shareholders Information

1	Date, Time & Venue of Annual General Meeting.	Friday, 31 st August, 2018 at 11.00 a.m. at Navi Mumbai Sports Association (NMSA), Sector-1A, Vashi, Navi Mumbai			
2	Book closure date	25 th August, 2018 to 31 st August, 2018 (both days inclusive)			
3	E-voting period	28 th August, 2018 (9.00 am) to 30 th August, 2018 (5.00 pm)			
4	E-Voting cut off date	24 th August, 2018			
5	Financial Year	The Financial Year Covers the period from 1 st April to 31 st March			
6	Listing on Stock Exchange	BSE Limited			
	Stock Exchange Address	P.J. Towers, Dalal Street, Fort, Mumbai – 400 001			
	Confirmation about payment of Annual Listing fee to Stock Exchange	The company has paid listing fees for the financial year 2018-19.			
7	Stock Code	540735			
8	ISIN No.	INE864K01010			
9	Market Price data (Note: The equity shares of the company were listed on the SME platform of BSE Limited on 11 th October, 2017.)	Month	High	Low	
		October 2017	70.9	33	
		November 2017	64.75	46.25	
		December 2017	79.25	49	
		January 2018	78.7	60	
		February 2018	63.7	47	
		March 2018	55.5	42.85	
10	Registrar and Transfer Agent	Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel: +91 22 49186000 Fax: +91 22 4918 6060 Email: Mumbai@linkintime.co.in Website: www.linkintime.co.in			
11	Share Transfer System	Registrar and transfer Agent carry out share transfer activities and shares are transferred within stipulated time.			
12	Distribution of shareholding as on 31 st March, 2018	Given below			
	No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholding
	1 - 500	29	6.09	3,831	0.02
	501 - 1000	9	1.89	6,870	0.04
	1001 - 2000	7	1.47	10,336	0.05
	2001 - 3000	10	2.10	24,664	0.13
	3001- 4000	270	56.72	1,077,640	5.71
	4001 - 5000	5	1.05	22,250	0.12
	5001 - 10000	60	12.61	466,429	2.47
	10001 and above	86	18.07	17,267,142	91.46
	Total	476	100.00	18,879,162	100.00
13	Dematerialization of share and liquidity	As of 31 st March, 2018, out of total shareholding, 17,682,246 equity shares are held in Demat form. The shares of the company are traded on BSE Limited.			

14	Details about the outstanding Global Depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	The company has not issued any ADR/GDR	
15	Address of Registered Office	IRIS Business Services Limited T-231, Tower 2, 3 rd Floor, International Infotech Park, Vashi Station, Vashi - 400 703, Maharashtra, India. Tel. : +91 22 6723 1000 Fax: +91 22 2781 4434	
16	Category of Shareholding as of 31st March, 2018	No. of Shares	% of total shares
	Promoters	7,422,220	39.31
	Nationalised Banks	4,000	0.02
	Clearing members	176,907	0.94
	HUF	388,000	2.06
	Trusts	8,000	0.04
	Corporate Bodies	6,571,688	34.81
	NRIs	76,000	0.40
	Indian Public	4,232,347	22.42
	Total	18,879,162	100.00
17	Share Price Performance in Comparison with BSE Sensex	As given below	

Month	IRIS Business Services Limited				BSE Sensex
	High (₹)	Low (₹)	Close (₹)	No. of shares traded	Close
October 2017	70.90	33	65.6	3,524,000	33,213.13
November 2017	64.75	46.25	53.5	924,000	33,149.35
December 2017	79.25	49	74.55	1,012,000	34,056.83
January 2018	78.70	60	61	440,000	35,965.02
February 2018	63.70	47	55.75	352,000	34,184.04
March 2018	55.50	42.85	44.95	260,000	32,968.68

SHARE PRICE COMPARISON



*The company's shares were issued at price of ₹32/- per share in the IPO in October, 2017 and the closing share price on the listing date i.e. 11th October, 2017 on BSE Limited was ₹. 35.35/-.

INDEPENDENT AUDITOR'S REPORT

To the Members of
IRIS BUSINESS SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **IRIS BUSINESS SERVICES LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the standalone financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Loss and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. Based on the audit procedures and relying on the management representation, we report that, the disclosures are in accordance with books of account maintained by the Company and as prescribed by the management.

For and on behalf of
M. P. Chitale & Co
Chartered Accountants
 Firm's registration number: 101851W

CA. Viraj Londhe
Partner
 Membership number: 45761

Place: Mumbai
Date: May 30, 2018

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deed of Leasehold immovable property is held in the name of the Company.
- 2) The Company is engaged in the business of providing services in connection with XBRL and XBRL Conversion, development and maintenance of websites, supply of software & providing software-related services. Accordingly it does not hold any physical inventories. Consequently, the reporting regarding inventories under clause 3(ii) of CARO is not applicable in the case of the Company.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189

of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Value added Tax, Goods and Services Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

- (b) According to the information and explanation given to us, there are no dues of sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute. The particulars of dues of income tax as at March 31, 2018 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount in ₹	Period to which the Amount relates	Forum where the dispute is pending	Remark
The Income Tax Act, 1961	Demand on account of reduction in Deduction claimed under section 10A.	45,71,389/-	AY 2007-08	Commissioner of Income Tax pursuant to order of ITAT dated 08-Apr-2015 remanding back issue to the Assessing Officer	Vide order dated 07-May-2018 passed by Commissioner of Income Tax, this demand is reduced to ₹ 37,100/-
The Income Tax Act, 1961	Demand on account of disallowance of expenses and non-consideration of withholding tax credit under section 90 & 91.	15,32,920/-	AY 2015-16	Asst. Commissioner of Income Tax rectification of order filed under section 154.	Vide order dated 20-Apr-2018 passed by Dy. Commissioner of Income Tax, withholding tax credit is granted amounting to ₹28,22,562/-. Hence this demand reduced to NIL.

The dues in respect of Income Tax Act, 1961 pertaining to A. Y. 2012-13 and A. Y. 2013-14 amounting to ₹ 1,69,000/- and ₹ 1,30,980/- respectively are disputed by the Company before Commissioner of Income Tax (Appeals). However, these are not outstanding since the Company had discharged the same.

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has raised moneys by way of initial public offer and the money so raised were applied for the purpose for which it was raised, except a sum of ₹ 8,32,00,000/- raised from Initial Public Offering of Company's equity shares during the year which is pending utilization as at March 31, 2018 and the unutilized balance as on the balance sheet date was lying in the company's current and term deposit accounts. The Company has not raised money by way of further public offer, issue of debt instruments and term Loans. Accordingly, to this extent, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
M. P. Chitale & Co
Chartered Accountants
 Firm's registration number: 101851W

CA. Viraj Londhe
Partner
 Place: Mumbai
 Date: May 30, 2018

CA. Viraj Londhe
Partner
 Membership number: 45761

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF IRIS BUSINESS SERVICES LIMITED

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

To the Members of
IRIS BUSINESS SERVICES LIMITED

We have audited the internal financial controls over financial reporting of IRIS Business Service Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls

and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of

M. P. Chitale & Co

Chartered Accountants

Firm's registration number: 101851W

CA. Viraj Londhe

Partner

Place: Mumbai

Date: May 30, 2018

Membership number: 45761

STANDALONE BALANCE SHEET AS AT 31 MARCH, 2018

(AMOUNT IN ₹)

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	18,87,91,620	6,93,75,810
(b) Reserves and surplus	4	12,62,07,155	13,22,08,264
2 Share application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	5	6,87,81,534	9,83,62,130
(b) Deferred tax liabilities (Net)		6,75,949	49,49,867
4 Current liabilities			
(a) Short-term borrowings	6	6,76,05,463	5,42,69,945
(b) Trade payables	7		
(i) Due to micro enterprises and small enterprises		17,99,221	2,03,982
(ii) Due to others		4,01,44,830	2,89,23,700
(c) Other current liabilities	8	9,70,18,775	7,36,35,219
(d) Short-term provisions	9	15,85,54,860	14,29,77,073
TOTAL		74,95,79,407	60,49,05,990
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		10,12,55,148	10,57,70,509
(ii) Intangible assets		8,67,77,843	9,51,16,003
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		17,32,92,540	17,68,83,455
(b) Non-current investments	11	1,16,74,433	1,22,15,198
(c) Long-term loans and advances	12	4,74,410	4,74,410
(d) Other non-current assets	13	67,76,794	33,83,938
2 Current assets			
(a) Trade receivables	14	13,34,71,851	7,70,68,944
(b) Cash and Bank Balance	15	8,25,76,330	10,20,491
(c) Short-term loans and advances	16	69,64,576	55,87,633
(d) Other current assets	17	14,63,15,482	12,73,85,409
TOTAL		74,95,79,407	60,49,05,990

The accompanying policies and notes form an integral part of the financial statements
As per our Report of even date attached

For **M. P. Chitale & Co.**
Chartered Accountants
FRN: 101851W

For and on behalf of Board of Directors of IRIS Business Services Limited

Viraj Londhe
Partner
Membership No. 45761

Swaminathan Subramaniam
Whole Time Director & CEO

Deepta Rangarajan
Whole Time Director

Place : Mumbai
Date : May 30, 2018

Balachandran Krishnan
Whole Time Director & CFO

Jay Mistry
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

(AMOUNT IN ₹)

Particulars	Refer Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
I. Revenue from operations	18	34,90,76,697	27,17,11,979
II. Other income	19	42,26,316	14,75,987
III. Total Revenue (I + II)		35,33,03,013	27,31,87,966
IV. Expenses:			
Employee benefits expense	20	18,89,10,128	15,48,90,127
Finance costs	21	1,99,09,600	2,08,23,759
Depreciation and amortization expense	22	4,48,77,887	4,61,18,944
Other expenses	23	15,22,68,071	16,26,71,712
Total expenses		40,59,65,686	38,45,04,542
V. Profit from ordinary activities before exceptional and extraordinary items and tax (III-IV)		(5,26,62,672)	(11,13,16,576)
VI. Exceptional expenses / (incomes)	24	5,40,765	43,76,928
VII. Profit from ordinary activities before extraordinary items and tax (V - VI)		(5,32,03,437)	(11,56,93,504)
VIII. Extraordinary Items		-	-
IX. Profit from ordinary activities before tax (VII- VIII)		(5,32,03,437)	(11,56,93,504)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(42,73,918)	(1,56,42,720)
(3) Tax expense / (income) for earlier years		-	-
XI Profit (Loss) for the period from continuing operations (IX-X)		(4,89,29,519)	(10,00,50,784)
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)		(4,89,29,519)	(10,00,50,784)
XVI Earnings per equity share:			
(1) Basic		(3.01)	(7.21)
(2) Diluted		(3.01)	(7.21)

The accompanying policies and notes form an integral part of the financial statements
As per our Report of even date attached

For **M. P. Chitale & Co.**
Chartered Accountants
FRN: 101851W

For and on behalf of Board of Directors of IRIS Business Services Limited

Viraj Londhe
Partner
Membership No. 45761

Swaminathan Subramaniam
Whole Time Director & CEO

Deepta Rangarajan
Whole Time Director

Place : Mumbai
Date : May 30, 2018

Balachandran Krishnan
Whole Time Director & CFO

Jay Mistry
Company Secretary

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(5,32,03,437)	(11,56,93,504)
Adjustments for :		
Depreciation and amortisation	4,48,77,887	4,61,18,944
Write-off of Withholding tax	84,44,946	1,33,67,416
Loss on Sales of Furniture	1,91,893	6,05,576
Exceptional items non cash adjustments during the year	5,40,765	43,76,928
Expense on employee stock option scheme	22,16,220	-
Interest Expenses	1,89,46,375	1,97,06,284
Non Cash item in prior period expenses	11,510	-
Profit on sale / discarding of office equipment's	(2,34,462)	-
Interest Income	(22,45,023)	(7,59,969)
Total	7,27,50,111	8,34,15,179
Operating Cash Profit before Working Capital Changes	1,95,46,674	(3,22,78,325)
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Sundry Debtors	(5,64,02,907)	(2,06,68,807)
(Increase) / Decrease in Short Term Loans and advances and Deposits	(3,16,26,190)	(48,09,480)
(Increase) / Decrease in Other Current Assets	(1,24,83,395)	90,991
(Increase) / Decrease in Long Term Loans and advances	-	48,270
(Increase) / Decrease in Other Non - Current Assets	(33,92,856)	(12,26,767)
(Decrease) / Increase in Trade Payables	1,28,16,370	1,89,77,629
(Decrease) / Increase in Other Current Liabilities	2,33,83,557	4,02,78,617
Increase / (Decrease) in Balance of cash credit facilities	1,33,35,518	2,13,28,244
(Decrease) / Increase in Short term Provisions	1,55,77,787	2,31,44,228
Total	(3,87,92,116)	7,71,62,925
Taxes Paid	(1,45,63,595)	(72,79,964)
Net Cash Inflow / (Outflow) in course of Operating activities (A)	(3,38,09,037)	3,76,04,636
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including capital advances)	(7,55,261)	(23,89,526)
In-house Software Products Capitalisation	(2,78,81,594)	(5,14,19,502)
Interest Income Received	19,16,993	13,82,877
Sales / Scrap Value of Fixed Assets	2,34,462	-
Net Cash Inflow / (Outflow) in the course of Investing Activities (B)	(2,64,85,400)	(5,24,26,151)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Share Capital & Share Premium	16,01,28,000	-
Fresh Loan /(Repayment) of term loans during the year (net)	(2,95,80,596)	(2,29,10,079)
Interest paid on Term Loans	(1,89,46,375)	(1,97,06,284)
Net cash flow used in financing activities (C)	11,16,01,029	(4,26,16,363)
Net increase / (decrease) in Cash and cash equivalents (A + B + C)	5,13,06,592	(5,74,37,878)
Add: Balance of Cash/Cash Equivalents at the beginning of the year	10,20,491	5,84,58,369
Cash/Cash Equivalents at the close of the year	5,23,27,083	10,20,491
Cash/Cash Equivalents as at 31.03.2018	5,23,27,083	10,20,491
Less: FDs given as security not in nature of cash and cash equivalent	-	-
	5,23,27,083	10,20,491

The accompanying policies and notes form an integral part of the financial statements
As per our Report of even date attached

For **M. P. Chitale & Co.**
Chartered Accountants
FRN: 101851W

Viraj Londhe
Partner
Membership No. 45761

Place : Mumbai
Date : May 30, 2018

For and on behalf of Board of Directors of IRIS Business Services Limited

Swaminathan Subramaniam
Whole Time Director & CEO

Balachandran Krishnan
Whole Time Director & CFO

Deepta Rangarajan
Whole Time Director

Jay Mistry
Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

1 Corporate information

IRIS Business Services Limited ("The Company") is a public limited company domiciled and headquartered in India and is listed on the Bombay Stock Exchange (BSE) SME Platform. The registered office of the Company is located at T-231, Tower 2, 3rd Floor, International Infotech Park, Vashi, Navi Mumbai – 400 703. The company has subsidiaries in United States, Singapore and Italy. Incorporated in 2000, IRIS is a global provider of software products for compliance, data and analytics.

The Company cater to Regulators including Central Banks, Business Registries, Capital Market Regulators and Stock Exchanges. We also provide solutions to the regulated, including Corporates, Banks, Mutual Funds.

The financial statements of the Company for the year were approved and adopted by Board of Directors of the Company in its meeting held on May 30, 2018.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act').

The accounts have been prepared on historical cost basis using the accrual basis of accounting. The preparation of financial statements as per this policy requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets/ inputs for processing and their realisation in cash and cash equivalents, the company has ascertained its normal operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities.

2.2 Revenue Recognition

Revenue is recognized when no significant uncertainty exists as to either the measurement or ultimate realization of the same.

Revenue from Operations

- i. Revenue from contracts for development or customization of software is measured using the proportionate completion method and are recognised, provided at the time of performance it is not unreasonable to expect ultimate collection.
- ii. Revenue from sale of software/ software licenses which do not involve any customization are recognized upon delivery of the software to the clients and subscription income is recognized as revenue are recognised over the period of the subscription.
- iii. Revenue from advertisement, data conversion services is recognised after the performance of the services and it is not unreasonable to expect ultimate collection.
- iv. Revenues from maintenance and content contracts are recognised on a straight line basis over the period of the contract.
- v. Royalty income is recognised as and when right to receive royalty is established.
- vi. When the uncertainty, relating to the collectability arises subsequent to the rendering of the service, a separate provision is made to reflect the uncertainty and the amount of revenue originally recorded is not adjusted.
- vii. Unbilled revenue included in 'Other current assets', represents amounts in respect of services performed in accordance with contract terms, not yet billed to customers at the year end. Income billed in advance included in 'Other current liabilities' represents amounts received/billed in excess of the value of work performed in accordance with the terms of the contracts with customers.

Other Income

- i. Interest on Bank deposits is recognized on accrual basis.
- ii. Rental income is recorded on accrual basis.
- iii. Any other income is recognized on accrual basis, when no significant uncertainty as to measurability or collectability exists.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

2.3 Fixed Assets

Tangible Fixed Assets are stated at the cost of acquisition less accumulated depreciation. Cost includes incidental expenses incurred during the acquisition/ installation, and excludes taxes and duties for which credit has been claimed.

Intangible assets are recorded at the consideration paid for acquisition of such asset and are carried at cost less accumulated amortisation and impairment.

Capitalisation of Expenses incurred for development of software:

Costs incurred in the development of proprietary software products have been classified and grouped under the heads "Software Developed In-House" & "Intangible Assets under Development" under Fixed Assets as per the recognition criteria laid down under AS 26 . Expenditure on research is recognised as an expense when it is incurred. Development costs of products are also charged to the Statement of Profit and Loss unless all the criteria for capitalisation as set out in AS 26 - 'Intangible Assets' have been met by the Company.

2.4 Depreciation & Amortization

Tangible fixed assets are depreciated on straight line basis over the useful life as specified in Schedule II of Companies Act, 2013. Individual assets whose cost does not exceed ₹ 5,000/- are depreciated fully in the year of purchase.

Leasehold Property is being amortised over the remaining leasehold period on straight-line basis.

Software products both proprietary and purchased are amortized over a period of 5 to 6 years on straight line basis, the amortization commences once the said product is available for use.

The useful lives used by the Company on various assets are as below:

<u>Assets type</u>	<u>Useful life (in Years)</u>
Building	60
Laptop & desktops	3
Server & networks	6
Furniture	10
Office equipment	5
Software	5

2.5 Impairments

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. Recoverable amount is higher of an asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent carrying amount exceeds recoverable amount. Assessment is also done at each Balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.6 Investments

Long term investments are stated at cost, and provision for diminution is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments. Short term investments are valued at lower of cost and net realizable value.

2.7 Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognized in the financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

2.8 Miscellaneous Expenditure including share issue expenses

Preliminary and other miscellaneous expenses and share issue expenses are written off as and when incurred in accordance with the requirements of accounting standard 26.

2.9 Foreign Currency Transactions

The functional currency of the Company is the Indian Rupee (₹).

Transactions denominated in foreign currency are recorded using the RBI exchange rates prevailing on the date of transaction, with the loss or gain arising on final settlement being adjusted in the Profit & Loss A/c.

The monetary items denominated in the foreign currency as at the end of the year are translated using the RBI exchange rates prevailing on the date of the balance sheet and the corresponding loss or gain on translation adjusted in the Profit & Loss A/c.

2.10 Prepaid Expenses

Expenses which are incurred in one year and which spill over to the subsequent years are recognised as prepaid on proportionate basis.

2.11 Employee Benefits

Short-term employee benefits including salaries, wages, bonus and other benefits are recognized as expenses at the actual value as per contractual terms & charged to the profit and Loss Account for the year in which the related service is rendered.

The employees are eligible for leave as per leave policy of the company. The un-utilised leave can be carried forward and utilised during the course of employment. No encashment is allowed of unutilised leave. The obligation for the leave encashment is recognised based on an independent actuarial valuation at the Balance Sheet date. The expense is recognized in the statement of profit and loss at the present value of the amount payable determined based on actuarial valuation using "projected unit credit method".

The Company has provided for gratuity payable to employees on the basis of actuarial valuation carried out by an independent actuary as per Projected Unit Credit Method carried out at the closed of the year. The Company makes annual contributions in respect of those employees who have completed five years in service, to the Group Gratuity Cash Accumulation Scheme of the LIC, which is a funded defined benefit plan.

2.12 Taxation

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws. Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unabsorbed depreciation or carry forward losses are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date for any write down or reversal, as considered appropriate.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing the current tax and where the deferred tax assets and liabilities relate to taxes on income levied by the same governing taxation laws.

2.13 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.14 Service Tax and GST

Service tax is accounted in accordance with the Guidance note on Accounting of Service Tax issued by ICAI. Accordingly input credit to the extent not utilized for payment of service tax accounted as asset as it would be available for adjustment against Service Tax payable in the future.

With effect from 01st July 2017, Goods and Service Tax Act was made effective replacing Value Added Tax and Service Tax provisions. The Goods and Services Tax, namely CGST, SGST and IGST, hereinafter referred to as GST, was levied on the services rendered by the Company on the similar lines as was Service tax was levied. The unutilised Cenvat credit as on 30th June 2017 was transferred under the GST provisions. The unutilised input credit under the GST provisions as on the balance sheet date was disclosed as other current asset in the balance sheet.

2.15 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.17 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.18 Accounting for Employee Stock Options

Stock options granted to employees of IRIS Business Services Limited and its subsidiaries under the stock option schemes approved by the shareholders of the Company on September 13, 2017 are accounted as per the treatment prescribed by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accounts of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The fair value of the option being stock option granted for purchase could be exchanged between knowledgeable, willing parties in an arm's length transaction is recognised as deferred employee compensation with a credit to share options outstanding account. The Expense on deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to Expense on Employee Stock Option Scheme, equal to the amortized portion of value of lapsed portion and a debit to share options outstanding account equal to the un-amortised portion.

2.19 Cash and Bank Balance

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 3 Share Capital

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 10/- each	2,50,00,000	25,00,00,000	80,00,000	8,00,00,000
Issued				
Equity Shares of ₹ 10/- each	1,88,79,162	18,87,91,620	69,37,581	6,93,75,810
Subscribed & Paid up				
Equity Shares of ₹ 10/- each fully paid	1,88,79,162	18,87,91,620	69,37,581	6,93,75,810
Total	1,88,79,162	18,87,91,620	69,37,581	6,93,75,810

Reconciliation of shares outstanding at the beginning and at the end of the reporting period.

Particulars	Equity Shares			
	As at 31 March, 2018		As at 31 March, 2017	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	69,37,581	6,93,75,810	69,37,581	6,93,75,810
Shares Issued during the year	1,19,41,581	11,94,15,810	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,88,79,162	18,87,91,620	69,37,581	6,93,75,810

The Company does not have any holding company.

Shares in the Company held by each shareholder holding more than 5 percent share specifying the number of shares held:

Name of Shareholder	Equity Shares			
	As at 31 March, 2018		As at 31 March, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Swaminathan Subramaniam	48,72,168	26	24,36,084	35
Vistra ITCL India Limited (Trustee for Shubkam Growth Fund I)	39,07,598	21	19,53,799	28
Deepta Rangarajan	14,46,052	8	7,21,026	10
Balachandran Krishnan	11,04,000	6	5,52,000	8
Madhuri Kela	10,72,000	6	-	-
Total	1,24,01,818		56,62,909	

As per records of the Company, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Shares reserved for issue under option

Particulars	As at 31 March, 2018	As at 31 March, 2017
Number of shares to be issued under the Employee Stock Option Plans	7,00,000	-

[Refer note 30 for details of shares to be issued under the Employee Stock Option Scheme.]

Aggregate number of shares issued as fully paid up for consideration other than cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the reporting date.

Particulars	Year (Aggregate No. of Shares)				
	2017-18	2016-17	2015-16	2014-15	2013-14
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	69,37,581	-	-	-	-
Shares bought back	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 3 Share Capital (Contd.)

Rights, preferences and restrictions attached to equity shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Note 4 Reserves & Surplus

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
a. Securities Premium Account		
Opening Balance	7,01,14,550	7,01,14,550
Add : Securities premium credited on Share issue	11,00,88,000	-
Less : Premium Utilised for various reasons		
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	6,93,75,810	-
Closing Balance	11,08,26,740	7,01,14,550
b. Share Options Outstanding Account		
Opening Balance		
Add: Amounts recorded on grants/modifications/cancellations during the year	22,16,220	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	22,16,220	-
c. General Reserves		
Opening Balance	4,75,000	4,75,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	4,75,000	4,75,000
d. Surplus		
Opening balance	6,16,18,714	16,16,69,498
(+) Net Profit/(Net Loss) For the current year	(4,89,29,519)	(10,00,50,784)
Closing Balance	1,26,89,195	6,16,18,714
Total	12,62,07,155	13,22,08,264

Note 5 Long Term Borrowings

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Secured		
(a) Term loans		
# from Federal Bank	9,15,66,719	12,11,47,315
(Secured against Property at T-231, 3rd Floor, Tower No. 2, International Infotech Park, Vashi, Navi Mumbai - 400 703)		
Loan Sanctioned ₹ 16,00,00,000 on 16th March 2015		
Interest Rate - Base rate + 1.15% p.a. (variable)		
Current Interest Rate 11.35% (Previous year 11.35%)		
Repayable in 84 months in 28 quarterly instalments		
This loan is guaranteed by executive directors of the company		
Amount disclosed under the head Other Current Liabilities See Note No. 8 (a)	(2,27,85,185)	(2,27,85,185)
Total	6,87,81,534	9,83,62,130

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 6 Short Term Borrowings

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Secured		
(a) Loans repayable on demand		
from banks		
Cash Credit from Federal bank	6,76,05,463	5,42,69,945
Loan Sanctioned ₹ 7,00,00,000 on 19th September 2016		
Interest Rate - Base rate + 2.01% p.a. (variable)		
Current Interest Rate as on 31.03.2018 10.91% (Previous year 11.53%)		
This loan is guaranteed by executive directors of the company		
Total	6,76,05,463	5,42,69,945

Note 7 Trade Payables

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Dues to Micro, Small & Medium Enterprises (MSMEs)	17,99,221	2,03,982
(b) Dues to Others	4,01,44,830	2,89,23,700
Total	4,19,44,051	2,91,27,682

Note 8 Other Current Liabilities

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Current maturities of long-term debt - Federal	2,27,85,185	2,27,85,185
(b) Income billed in Advance	2,54,03,150	2,21,97,828
- Refundable Deposits received	90,000	90,000
- Statutory Dues	34,54,893	30,25,251
- Amounts Payable to staff against Expenses incurred	1,30,681	5,63,426
- Salaries, Wages & Bonus Payable	4,43,27,353	2,43,59,383
- Contribution to PF / ESIC / MLWF Payable	8,27,513	6,14,146
Total	9,70,18,775	7,36,35,219

Note 9 Short Term Provisions

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Provision for employee benefits		
- Incentives	5,46,77,370	4,55,51,514
- Gratuity	1,84,79,316	1,41,38,004
- Leave Encashment	25,78,700	28,53,027
(b) Others (Specify nature)		
Provision for Expenses Payable		
- Audit Fees	8,19,000	8,19,000
- Consultancy Charges	58,40,703	85,47,506
- Others	94,88,247	43,96,498
Provision for Taxes	6,66,71,524	6,66,71,524
Total	15,85,54,860	14,29,77,073

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 10 Fixed Assets

(AMOUNT IN ₹)

Particulars	Gross Block				Accumulated Depreciation and Impairment					Net Block	
	Balance as at 1 April 2017	Additions/ (Disposals)	Acquired through business combinations	Revaluations / (Impairments)	Balance as at 31 March 2018	Balance as at 1 April 2017	Depreciation charge at 31 March 2018	Adjustment due to revaluations / Impairment	On disposals	Balance as at 31 March 2018	Balance as at 31 March 2017
a Tangible Assets											
Buildings (Leasehold)	10,70,93,510	-	-	-	10,70,93,510	87,00,851	19,47,156	-	-	1,06,48,007	983,92,659
Plant and Equipment	5,91,94,406	5,52,174	-	-	5,97,46,580	5,35,14,944	21,63,890	-	-	5,56,78,834	56,79,462
Furniture and Fixtures	79,60,535	-	-	-	32,22,914	67,02,980	3,29,330	-	45,45,728	24,86,582	12,57,555
		(47,37,621)									7,36,332
Office equipment	67,51,011	-	-	-	47,33,280	63,10,179	4,35,264	-	20,17,731	47,27,712	4,40,832
		(20,17,731)									5,568
Total	18,09,99,462	(62,03,178)	-	-	17,47,96,284	7,52,28,954	48,75,640	-	65,63,459	7,35,41,135	10,12,55,149
b Intangible Assets											
Database	6,00,450	-	-	-	6,00,450	6,00,450	-	-	-	6,00,450	-
URLs	5,00,000	-	-	-	5,00,000	5,00,000	-	-	-	5,00,000	-
Computer software	1,93,78,404	2,03,087	-	-	1,95,81,491	1,49,77,460	20,42,715	-	-	1,70,20,175	44,00,944
Software developed in-house	25,13,80,521	3,14,72,509	-	-	28,28,53,030	16,06,65,461	3,79,71,042	-	-	19,86,36,503	9,07,15,060
Total	27,18,59,375	3,16,75,596	-	-	30,35,34,971	17,67,43,371	4,00,13,757	-	-	21,67,57,128	9,51,16,004
c Capital Work In Progress											
Total	-	-	-	-	-	-	-	-	-	-	-
d Intangible assets under Development											
	17,68,83,455	2,78,81,594	-	-	17,32,92,540	-	-	-	-	-	17,68,83,455
		(3,14,72,509)									
Total	62,97,42,292	2,18,81,503	-	-	65,16,23,795	25,19,72,325	4,48,89,397	-	65,63,459	29,02,98,263	37,77,69,967
											36,13,25,532

Note 11 Non-Current Investments

A) Other Investments (Refer B below)

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Investment Properties		
(b) Investment in Equity instruments -Singapore	1,11,95,389	1,11,95,389
(c) Investment in Equity instruments -US	7,02,975	7,02,975
(d) Investment in Equity instruments -Italy	7,12,000	7,12,000
Total (A)	1,26,10,364	1,26,10,364
Grand Total (A + B)	1,26,10,364	1,26,10,364
Less : Provision for diminution in thevalue of Investments	9,35,931	3,95,166
Total	1,16,74,433	1,22,15,198

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 11 Non-Current Investments

B. Details of Other Investments

(AMOUNT IN ₹)

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of
			2018	2017			2018	2017	2018	2017		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a) Investment in Equity Instruments												
	IRIS Business Services, LLC	Subsidiary	15000	15000	Unquoted	Fully Paid	100	100	7,02,975	7,02,975	Yes	N.A.
	IRIS Business Services (Asia) Pte Ltd	Subsidiary	299900	299900	Unquoted	Fully Paid	98	98	1,11,95,389	1,11,95,389	Yes	N.A.
	Atanou Srl	Subsidiary			Unquoted	Fully Paid	100	100	7,12,000	7,12,000	Yes	N.A.
Total			-	-	-	-	-	-	1,26,10,364	1,26,10,364	-	-

Note 12 Long Term Loans and Advances

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Security Deposits		
Secured, considered good		
Unsecured, considered good	4,74,410	4,74,410
Doubtful		
Less: Provision for doubtful deposits	-	-
Total	4,74,410	4,74,410

Note 13 Other non-current assets

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Term Deposits with remaining maturity exceeding 12 months	67,76,794	33,83,938
(Term Deposits offered as security against bank guarantees)		
Total	67,76,794	33,83,938

Note 14 Trade Receivables

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	12,01,60,398	6,81,70,857
Unsecured, considered doubtful	4,56,790	1,86,084
Less: Provision for doubtful debts	(4,56,790)	(1,86,084)
	12,01,60,398	6,81,70,857
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	1,33,11,453	88,98,087
Unsecured, considered doubtful	22,61,314	23,00,933
Less: Provision for doubtful debts	(22,61,314)	(23,00,933)
	1,33,11,453	88,98,087
Total	13,34,71,851	7,70,68,944

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 14 Trade Receivables (Contd.)

Trade Receivable stated above include debts due by:

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Partnership of Director	56,91,359	85,91,115
Other officers of the Company *	Nil	Nil
Firm in which director is a partner *	Nil	Nil
Private Company in which director is a member	9,98,591	12,31,991
Total	66,89,950	98,23,106

*Either severally or jointly

Note 15 Cash & Bank Balance

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
1. Cash & Bank Balance		
a. Balances with banks	5,04,90,187	7,91,512
b. Cash on hand	8,179	13,723
c. Term Deposits with Original Maturity less than or equal to 3 months	18,28,717	2,15,256
2. Other Bank Balances		
a. Term Deposits with remaining maturity of 12 months or less	3,02,49,247	-
Total	8,25,76,330	10,20,491

Note 16 Short-term loans and advances

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
a. Loans and advances to related parties		
Secured, considered good		
Unsecured, considered good		
Less: Provision for doubtful loans and advances	-	-
	-	-
b. Others (specify nature)		
Secured, considered good		
Unsecured, considered good		
Prepaid Expenses	69,33,356	55,15,680
Loans to Staff	-	52,691
Advances to Staff	31,220	19,262
	69,64,576	55,87,633
Total	69,64,576	55,87,633

Note 16(a) Loans and advances to related parties

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Private Company in which director is a member*	-	-
Total	-	-

*Either severally or jointly

Note 17 Other current assets

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Interest Accrued on Fixed Deposits	3,88,812	60,782
Taxes on Income	10,20,49,379	9,59,30,731
Service Tax Refund Claim	44,03,457	61,43,714
Service Tax Input Credit	6,26,384	36,51,888

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 17 Other current assets (Contd.)

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
GST Input Credit	17,14,274	-
Unbilled Revenue (net)	2,84,67,154	2,14,35,588
Other Current Assets	86,66,022	1,62,706
Total	14,63,15,482	12,73,85,409

Note 18 Revenue from Operations

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Sale of products	7,04,81,859	2,18,58,201
XBRL Related Projects & Services	25,62,79,147	22,15,32,766
myiris.com, Content and Technology Services	2,23,15,691	2,83,21,012
Total	34,90,76,697	27,17,11,979

Note 19 Other Income

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Interest Income	22,45,023	7,59,969
Net Exchanges Gain	3,69,149	-
Other non-operating income (net of expenses directly attributable to such income)	16,12,144	7,16,018
Total	42,26,316	14,75,987

Note 20 Employee Benefits Expense

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Salaries and wages,	17,65,50,380	14,71,99,569
Contribution to provident and other funds	95,02,704	71,93,927
Staff welfare expenses	6,40,824	4,96,631
Employee Stock Option expenses	22,16,220	-
Total	18,89,10,128	15,48,90,127

Note 21 Finance Cost

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Interest expense	1,89,46,375	1,91,18,159
Bank Charges/ Commission	9,63,225	11,17,475
Other Finance costs	-	5,88,125
Total	1,99,09,600	2,08,23,759

Note 22 Depreciation and amortisation expenses

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Depreciation	4,48,77,887	4,61,18,944
Amortisation of preliminary Expenses	-	-
Total	4,48,77,887	4,61,18,944

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 23(a)

Other Expenses (I)

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Legal, Professional and Consultancy Fees	1,97,44,327	3,15,89,797
Directors' Sitting Fees	3,40,000	-
Travelling and Conveyance	47,72,031	23,13,613
STPI / Non-STPI - Annual Service Charges	6,75,000	-
Commission / Brokerage Charges	8,24,944	-
Postage, Telephone & Communication Charges	17,39,133	15,41,103
Printing & Stationery	1,89,900	3,03,029
Business Promotion Expenses	7,41,023	66,110
Foreign Travel Expenses	1,92,04,800	2,16,44,313
Onsite Marketing & Sales Expenses	3,06,93,831	2,97,77,042
Software Development Expenses	33,57,200	9,43,500
Conference Expenses	11,800	14,24,846
Data Sourcing Expenses	6,57,449	6,47,092
Internet Co-Location Charges	84,61,508	60,74,767
Membership Fees	2,38,542	7,35,723
Registry Maintenance Expenses	59,671	-
Exchange Loss (Net)	-	20,19,694
Office Maintenance Expenses	21,62,113	21,92,078
Repairs & Maintenance Expenses	1,51,800	9,31,885
Kuwait Retention Expenses	5,05,152	12,59,715
Software Licence & Hardware Fees	2,64,98,697	2,09,41,213
Bad debts written off	89,27,054	344
Sundry Balance Written-Off	88,09,735	39,72,309
Provision for Doubtful Debts	2,31,087	1,24,58,737
IPO Issue Expenses	45,97,097	-
Loss on Disposals of Fixed Assets	1,91,893	6,05,576
Total	14,37,85,787	14,14,42,486

Note 23(b)

Other Expenses (II)

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Payment to auditors as		
Auditor	6,25,000	6,25,000
For taxation matters	2,20,000	2,20,000
For other services	65,000	65,000
Reimbursement of expenses	29,520	7,500
Total	9,39,520	9,17,500

Note 23(c)

Other Expenses (III)

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Prior year Adjustments (Net) Expense / (Income)	(27,44,844)	1,04,92,608
Total	(27,44,844)	1,04,92,608

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 23(d)

Other Expenses (IV)

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a) Electricity & Water Charges	35,48,723	34,90,285
(b) Rent	25,40,061	32,37,025
(c) Repairs to machinery	7,65,678	8,47,421
(d) Insurance	2,16,525	1,46,691
(e) Rates and taxes, excluding, taxes on income	27,49,018	15,21,700
(f) Miscellaneous expenses	4,67,603	5,75,996
Total	1,02,87,608	98,19,118

Note 23(a+b+c+d)	15,22,68,071	16,26,71,712
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Note 24 Exceptional items

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Diminution in the value of investment	5,40,765	-
Impairments On Fixed Assets	-	43,76,928
Total	5,40,765	43,76,928

Note 25 Contingent Liabilities and Commitments

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(i) Contingent Liabilities		
(a) Guarantees	3,28,26,416	1,66,91,283
(b) Revenue Commitment	2,61,192	31,10,107
Total	3,30,87,608	1,98,01,390

Note 26 Taxes On Income

Current Tax is determined as the amount of tax payable in respect of the taxable income for the period. Deferred tax is computed in respect of timing differences in accordance with Accounting Standard 22. The components of deferred tax liabilities / assets are as under

(AMOUNT IN ₹)

	As at 31 March, 2018	As at 31 March, 2017
Deferred tax assets in respect of:		
Provision for Gratuity & Leave Encashment	54,75,084	52,50,229
Provision for Bad Debts	7,06,707	39,45,503
Provision for Bonus	1,42,16,116	1,40,75,418
Total	2,03,97,907	2,32,71,150
Deferred tax liabilities in respect of:		
Depreciation	2,10,73,856	2,82,21,017
Total	2,10,73,856	2,82,21,017
Net Deferred Tax Asset / Liability	6,75,949	49,49,867
Deferred tax expenses (Net)	(42,73,918)	(1,56,42,720)

Minimum Alternative Tax (MAT) Credit

In accordance with accounting policy of the company, MAT credit balance not recognised as an assets as at 31.03.2018 is ₹ 3,75,54,770/- (As at 31.03.2017 is ₹ 3,75,54,770/-).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 27 Operating Leases

The Company has entered into leave & license arrangement for its office premises for a period of 60 months.

The total future minimum lease payments under the leave & license arrangements classified as operating lease for each of the periods is given below:

	(AMOUNT IN ₹)	
	As at 31 March, 2018	As at 31 March, 2017
In less than a year	NIL	31,10,107
In 1 year to 5 years	2,61,192	2,61,192
In greater than 5 years	NIL	NIL

Note 28 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	(AMOUNT IN ₹)	
	As at 31 March, 2018	As at 31 March, 2017
Principal amount remaining unpaid to any supplier as at the end of the accounting year	17,99,221	2,03,982

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 29.1 Employee benefits

The disclosures required as per the revised Accounting Standard (AS) 15 -Employee Benefits (revised 2005) are as under:

Defined benefit plan (Gratuity) - As per the independent actuarial valuation carried out as at March 31, 2018

	(AMOUNT IN ₹)	
	As at 31 March, 2018	As at 31 March, 2017
(A) Change in Present Value of Obligation		
Defined Benefit Obligation, Beginning of Period	1,94,46,276	1,89,56,458
Service Cost	29,37,176	31,34,643
Interest Cost	13,19,621	14,84,052
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	10,23,237	6,93,225
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefit paid directly by the Company	(24,00,023)	(48,22,102)
Past Service Cost	4,71,762	-
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	2,27,98,049	1,94,46,276
(B) Change in Fair Value of plan assets		
Fair value of Plan Assets, Beginning of Period	53,08,272	71,93,533
Expected Return on Plan Assets	3,30,775	4,76,064
Actual Company Contributions	12,34,185	26,57,471
Actual Plan Participants' Contributions	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	(1,54,476)	(1,96,694)
Benefits Paid by the insurer	(24,00,023)	(48,22,102)
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
Fair value of Plan Assets, End of Period	43,18,733	53,08,272
(C) Amount recognized in the Balance Sheet		
Defined Benefit Obligation	2,27,98,049	1,94,46,276
Fair value of Plan Assets	43,18,733	53,08,272
Funded Status - (Surplus)/Deficit	1,84,79,316	1,41,38,004
Past Service Cost not yet Recognised	-	-
Unrecognised Asset due to Limit in Para 58(B)	-	-
(Asset)/Liability Recognised in the Balance Sheet	1,84,79,316	1,41,38,004

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 29.1 Employee benefits (Contd.)

(AMOUNT IN ₹)

	As at 31 March, 2018	As at 31 March, 2017
(D) Net Gratuity Cost		
Service Cost	29,37,176	31,34,643
Interest Cost	13,19,621	14,84,052
Expected Return on Plan Assets	(3,30,775)	(4,76,064)
Past Service Cost	4,71,762	-
Net Actuarial Losses/(Gains) Recognised during the period	11,77,713	8,89,919
(Gain)/Loss due to Settlements/Curtailments/Terminations/Divestitures	-	-
Unrecognised Asset due to Limit in Para 58(B)	-	-
Total Expense/(Income) included in "Employee Benefit Expense"	55,75,497	50,32,550
Assumptions used in accounting for gratuity costs		
Date of Valuation		
Discount Rate	7.53%	7.00%
Salary Escalation Rate	7.00%	7.00%
Expected Rate of Return on Assets	7.53%	7.00%
Demographic Assumptions		
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Employee Turnover/ Withdrawal Rate	25.00%	23.00%
Retirement Age	60 years	60 years

29.2 Provision for Leave Encashment

Accounting Standard 15 (Revised 2005) Disclosures

(AMOUNT IN ₹)

	As at 31 March, 2018	As at 31 March, 2017
Amounts Recognised in Statement of Profit & Loss at Period-End		
Service Cost	4,33,070	4,53,370
Interest Cost	1,66,208	2,22,462
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Net Actuarial Losses/(Gains) Recognised during the period	(8,73,605)	(21,40,991)
(Gain)/Loss due to Settlements/Curtailments/Terminations/Divestitures	-	-
Unrecognised Asset due to Limit in Para 58(B)	-	-
Total Expense/(Income) included in "Employee Benefit Expense"	(2,74,327)	(14,65,159)
Change in Defined Benefit Obligation during the Period		
Defined Benefit Obligation, Beginning of Period	28,53,027	43,18,186
Service Cost	4,33,070	4,53,370
Interest Cost	1,66,208	2,22,462
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	(8,73,605)	(21,40,991)
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	-	-
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	25,78,700	28,53,027
Reconciliation of Amounts recognised in Balance Sheet		
Balance Sheet (Asset)/Liability, Beginning of Period	28,53,027	43,18,186

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

29.2 Provision for Leave Encashment (Contd.)

Accounting Standard 15 (Revised 2005) Disclosures

(AMOUNT IN ₹)

	As at 31 March, 2018	As at 31 March, 2017
Total Expense/(Income) Recognised in Profit & Loss	(2,74,327)	(14,65,159)
Acquisition/Business Combination/Divestiture	-	-
Benefit Payouts	-	-
Balance Sheet (Asset)/Liability, End of Period	25,78,700	28,53,027
Assumptions used in accounting for leave encashment		
Date of Valuation		
Discount Rate	7.53%	7.00%
Salary Escalation Rate	7.00%	7.00%
Expected Rate of Return on Assets	NA	NA
Demographic Assumptions		
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Employee Turnover/ Withdrawal Rate#	25.00%	23.00%
Retirement Age	60 years	60 years
Leave Availment Ratio	10%	10%

Note 30 Employee Stock Option Scheme

The Company provides share-based payment schemes to its employees. The relevant details of the scheme are as follows:

In September 11, 2017 the Board of Directors approved the "IRIS Business Services Limited – Employee Stock Option Scheme 2017" in order to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company (including subsidiary companies) with an intent to attract and retain talent in the organization. The aforesaid scheme was duly approved by shareholders in its EGM held on September 13, 2017. The Nomination and Remuneration committee of the Board has granted following options under the said Scheme to certain category of employees as per criteria laid down by Nomination and Remuneration committee of the Board. Key terms of the scheme:

Date of Shareholder's Approval	September 13, 2017
Total Number of Options approved	7,00,000
Vesting Schedule	Option shall vest not earlier than 1 (One) year and not later than maximum Vesting Period of 4 (Four) years from the date of grant.
Maximum term of Options granted	9 Years
Method of Settlement	Shares
Source of shares	Primary-Fresh equity allotment by the Company

Option Movement during the year ended March 2018

Particulars	As at 31 March, 2018	As at 31 March, 2017
No. of Options Outstanding at the beginning of the year	-	NA
Options Granted during the year	7,00,000	NA
Options Forfeited / Surrendered during the year	-	NA
Number of options Outstanding at the end of the year	7,00,000	NA

Method and Assumptions used to estimate the fair value of options granted during the year ended: The fair value has been calculated using the Black Scholes Option Pricing model.

Variables	As at 31 March, 2018	As at 31 March, 2017
Risk Free Interest rate	6.61% to 7.00%	NA

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 30 Employee Stock Option Scheme (Contd.)

Variables	As at 31 March, 2018	As at 31 March, 2017
Expected Life (in Years)	3.5 Years to 6.5 Years	NA
Expected Volatility	11.73%	NA
Dividend Yield	0.00%	NA
Stock Price (in ₹)	32	NA
Exercise Price (in ₹)	32	NA

Stock price

The stock price of the Company is the listing market price of the Company's equity share on Stock Exchanges on the date of grant.

Under the ESOP Schemes one option entitles one equity share of the Company.

Expected Volatility

Expected volatility is a measure of the amount by which share price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.

Since shares of the Company got listed only on the Grant Date and there is no history of share price trading, expected volatility had been derived from historic values NSE VIX index as on the Grant date.

Risk-free Rate of interest

The current yield rates of Central Government securities (with similar residual maturity as expected life of stock option) are being considered. This is based on the zero-coupon yield curve for Government Securities obtained from NSE.

Exercise Price

Exercise price is the price which the option holder has to pay at the time of exercising the option. Exercise prices are considered as per the information provided by the Company. As per the rules of ESOP plans, exercise price is the listing price of the shares of the Company on 11th October 2017 which is ₹ 32.00.

Time to Maturity / Expected Life of options

The expected life of an option will be in-between the minimum period before which the options cannot be exercised and the period after which the options cannot be exercised.

The fair value of each award has been determined based on different expected lives of the options that vest each year, as if the award were several separate awards, each with a different vesting date. A weighted average of all the vests has been calculated to arrive at the value of the options granted.

The time to maturity has been estimated as illustrated by the following example. In case of the grant made on 11 October 2017, the earliest date of vesting is one year from the date of grant that is 11 October 2018. Hence, the minimum life of the option is 1 year. The exercise period is Five years from the date of vest as per the ESOP scheme; hence the maximum life of this vest is 6 years. The expected life is the average of minimum and maximum life, i.e. 3.5 years $[(1 + 6)/2]$. The time to maturity for the remaining vests has been calculated in a similar manner.

Dividend Yield

Expected dividend yield has been taken as "NIL" since the Company has not declared any dividend in the past.

Note 31 Segment reporting

The Company has identified business segments (Nature of revenue stream) as its primary segment and geographic segments as its secondary segment. Business segments comprise of Collect Segment (Regulatory platform), Create Segment (Enterprise Platform) and Consume Segment (Data Consumption Platform and Content Services).

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to a specific segment have been allocated on the basis of associated manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 31 Segment reporting (Contd.)

Geographical revenue is allocated based on the location of the customer. Geographic segments of the company are Middle Eastern Countries, America (including Canada and South American countries), Europe, India and Others:

Reporting of Segment wise Revenue, Results and Capital Employed

(AMOUNT IN ₹)		
Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
1. Segment Revenue		
(net sale/income from each segment should be disclosed under this head)		
(a) Segment – Collect	21,91,21,955	17,80,22,185
(b) Segment – Create	10,76,39,051	6,53,68,782
(c) Segment – Consume	2,23,15,691	2,83,21,012
(d) Unallocated	-	-
Less: Inter Segment Revenue	-	-
Net sales/Income From Operations	34,90,76,697	27,17,11,979
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)		
(a) Segment – Collect	4,24,20,743	1,67,61,431
(b) Segment – Create	(3,18,79,261)	(3,08,99,279)
(c) Segment – Consume	(31,83,748)	(3,17,12,011)
(d) Unallocated	42,26,316	14,75,987
Total	1,15,84,050	(4,43,73,872)
Less: i) Interest	1,99,09,600	2,08,23,759
ii) Depreciation & Amortisation	4,48,77,887	4,61,18,944
iii) Other non-cash un-allocable expenses	-	43,76,928
iv) Other Un-allocable Expenditure net off Un-allocable income	-	-
Total Profit Before Tax	(5,32,03,437)	(11,56,93,504)

(AMOUNT IN ₹)		
Particulars	As at 31 March, 2018	As at 31 March, 2017
3. Segment Assets		
(a) Segment – Collect	8,75,80,932	5,26,35,219
(b) Segment – Create	4,92,97,629	3,32,65,369
(c) Segment – Consume	16,98,85,830	16,80,51,811
(d) Unallocated	44,28,15,016	35,09,53,591
Total assets	74,95,79,407	60,49,05,990
4. Segment Liabilities		
(a) Segment – Collect	2,00,95,142	89,55,117
(b) Segment – Create	71,13,613	13,91,866
(c) Segment – Consume	17,70,806	1,05,000
(d) Unallocated	40,56,01,071	39,28,69,932
Total liabilities	43,45,80,632	40,33,21,915
5. Total cost incurred during the period to acquire segment assets that are expected to be used during more than one period (tangible and intangible fixed assets);		
(a) Segment – Collect	-	-
(b) Segment – Create	3,14,72,509	7,53,61,945
(c) Segment – Consume	-	-
(d) Unallocated	7,55,261	23,89,526
Total	3,22,27,770	7,77,51,471

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 31 Segment reporting (Contd.)

Revenues by Geography:

(AMOUNT IN ₹)		
Country	For the year ended 31 March, 2018	For the year ended 31 March, 2017
China	-	1,73,817
England	2,88,03,890	2,87,43,557
India	11,43,72,717	6,01,89,115
Italy	4,25,181	-
Jordan	61,02,430	86,53,902
Kuwait	1,55,27,128	4,36,77,832
Malaysia	4,11,29,147	2,08,57,320
Mauritius	3,86,89,847	3,37,94,808
Qatar	77,72,589	32,86,889
Saudi Arabia	2,77,22,332	4,03,99,399
Singapore	1,53,62,729	1,65,19,059
South Africa	3,22,77,715	-
Thailand	3,00,218	20,23,633
Turkey	13,18,949	17,58,095
UAE	74,47,347	9,73,988
USA	1,18,24,478	1,06,60,565
Total	34,90,76,697	27,17,11,979

Segment assets by Geography:

India	74,95,79,407	60,49,05,990
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Capital assets acquired during the period by Geography:

India	3,22,27,770	7,77,51,471
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Note 32 Earnings Per Share

The EPS computed in accordance with the Accounting Standard 20 on 'Earnings per Share' issued by the Institute of Chartered Accountants of India is as under:

(AMOUNT IN ₹)		
Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Net Profit for the Year	(4,89,29,519)	(10,00,50,784)
Weighted Average No. of Shares - Basic	1,62,33,211	1,38,75,162
Weighted Average No. of Shares - Diluted	1,62,33,211	1,38,75,162
<i>(Since the potential dilutive equity shares are anti-dilutive no. of shares considered for diluted EPS is same as basic EPS)</i>		
EPS - Basic	(3.01)	(7.21)
EPS - Diluted	(3.01)	(7.21)
Nominal value of each Equity Share	10.00	10.00

Note 33 Additional information to the financial statements

Related Party Transactions

a. Subsidiary companies

1. IRIS Business Services, LLC
2. IRIS Business Services (Asia) Pte. Ltd.
3. Atanou Srl

b. Key managerial personnel (KMP), including KMP under Companies Act, 2013

1. S. Swaminathan, Whole Time Director and Chief Executive Officer
2. Deepta Rangarajan, Whole Time Director
3. K. Balachandran, Whole Time Director and Chief Financial Officer
4. Rajesh Singh, Company Secretary and Compliance Officer (was on employment till 28th February 2018)
5. Jay Mistry, Company Secretary and Compliance Officer

c. Relatives of Key managerial personnel (KMP)

1. Deepta Rangarajan, Spouse of Mr. S. Swaminathan
2. N Subramaniam, Father of Mr. S. Swaminathan
3. Sivakamu Subramaniam, Mother of Mr. S. Swaminathan
4. S. Chandrasekhar, Brother of Mr. S. Swaminathan
5. S. Swaminathan, Spouse of Ms. Deepta Rangarajan
6. Santhanakrishnan Rangarajan, Father of Ms. Deepta Rangarajan
7. Shanti Rangarajan, Mother of Ms. Deepta Rangarajan
8. Rajalakshmi Balachandran, Spouse of Mr. K. Balachandran
9. Sharanya Balachandran, Daughter of Mr. K. Balachandran
10. Shyama Balachandran, Daughter of Mr. K. Balachandran
11. Vijayalakshmi Nambiar, Mother of Mr. K. Balachandran

d. Independent Directors

1. Narayan Seshadri, Non-Executive Independent Director
2. Partho Datta, Non-Executive Independent Director (Resigned on 28th November 2017)
3. Sanjoy Bhattacharya, Non-Executive Independent Director (Resigned on 24th November 2017)
4. Rakesh Kathotia, Nominee Director (Resigned on 12th September 2017)
5. U R Bhat, Non-Executive Independent Director (Resigned on 3rd September 2017)
6. Bhaswar Mukherjee, Non-Executive Independent Director
7. Vinod Balmukand Agarwala, Non-Executive Independent Director
8. Ashok Venkatramani, Non-Executive Independent Director

e. Enterprises over which the above persons exercise significant influence/ control and with which the Company has transactions during the Year

1. FinX Solutions (UAE)
2. IRIS Knowledge Foundation
3. TVS Wealth Private Limited
4. TVS Electronics Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 33 Transactions and balances with related parties

(AMOUNT IN ₹)

Particulars	Transactions during 2017-18	Outstanding as at 31.03.2018	Transactions during 2016-17	Outstanding as at 31.03.2017
Services rendered				
FinX Solutions	55,93,639	56,91,359	-	85,91,115
IRIS Knowledge Foundation	3,60,000	10,88,591	3,41,406	13,21,991
TVS Wealth Private Limited	10,000	-	-	-
TVS Electronics Limited	4,70,000	4,20,000	50,000	-
Services availed				
IRIS Business Services, LLC	44,50,462	4,20,943	-	-
IRIS Business Services (Asia) Pte. Ltd.	2,84,35,293	38,73,365	2,83,59,753	9,60,782
Investments				
Atanou SRL	-	7,12,000	-	7,12,000
IRIS Business Services, LLC	-	7,02,975	-	7,02,975
IRIS Business Services (Asia) Pte. Ltd.	-	1,11,95,389	-	1,11,95,389
Remuneration				
S. Swaminathan	30,00,000	57,54,958	30,00,000	33,62,934
Deepta Rangarajan	30,00,000	24,86,930	30,00,000	14,56,363
K. Balachandran	30,00,000	27,17,390	30,00,000	20,31,883
Rajesh Singh (was on employment till 28th February 2018)	85,316	-	-	-
Jay Mistry	2,93,548	99,800	-	-
Reimbursement of Expenses				
S. Swaminathan	16,47,566	-	14,92,809	-
Deepta Rangarajan	14,33,900	-	16,12,594	-
K. Balachandran	7,11,128	-	15,27,295	-
Jay Mistry	2,795	-	-	-

Note 34 Details of Movement in Provisions and contingent liabilities, in terms of Accounting Standard 29 is as under:

(AMOUNT IN ₹)

Nature of Provision	Opening Balance as on 01-04-2017	Additions during the year	Reversal/ adjustments	Closing Balance as on 31/03/2018
Provision for Income Tax	6,66,71,524	-	-	6,66,71,524
Provision for Deferred Tax (Asset)/ Liability	49,49,867	-	42,73,918	6,75,949
Provision for Gratuity	1,41,38,004	55,75,497	12,34,185	1,84,79,316
Provision for leave encashment	28,53,027	-	2,74,327	25,78,700
Provisions in respect of Employee Benefits	4,55,51,514	93,74,067	2,48,211	5,46,77,370
Provision for Bad & Doubtful Debts	1,27,68,617	4,56,790	1,05,07,303	27,18,104
Provision for Other Expenses Payable	1,37,63,004	1,30,84,846	1,34,18,004	1,34,29,846
Movements in Contingent Liabilities				
Contingent Liabilities	1,66,91,283	1,61,35,133	-	3,28,26,416

Note 35 Expenditure and Earnings in foreign currency

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Expenditure in Foreign Currency on Account of		
Professional/ Consultation Fees	79,66,669	2,31,41,909
Foreign Travel	1,26,61,621	1,27,30,098
Business Promotion/ Conference Expenses	-	27,64,664
Sales and Marketing Expenses	3,06,93,831	2,97,77,042
Software License Fess	34,26,476	3,41,638
Membership Fees	1,63,120	2,08,971

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 35 Expenditure and Earnings in foreign currency (Contd.)

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Kuwait Retention Expenses	5,05,152	12,59,715
Earnings in foreign exchange:		
Export of Services	23,46,09,854	21,13,92,862
Less: Withholding tax Thereon	(68,53,698)	(36,91,613)
Net Earnings	22,77,56,156	20,85,84,626
Royalty	94,126	1,30,002
Less: Withholding tax Thereon	(28,237)	(34,325)
Net Earnings	65,889	95,677

Note 36

Note on activities of Subsidiary "IRIS Business services (Asia) PTE Ltd.

As at 31st March 2018, the subsidiary's total liabilities exceeded its total assets by SGD 64,022/- (₹ 31,80,722/-). Its financial statements have been prepared on a going concern basis. We are committed to provide necessary financial support as and when necessary and there will not be any financial crisis in the said subsidiary.

Note 37

In the opinion of the Board, all assets other than fixed assets and non-current investments have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.

Note 38

Previous year's figures have been regrouped wherever necessary.

For M. P. Chitale & Co. <i>Chartered Accountants</i> FRN: 101851W	For and on behalf of Board of Directors of IRIS Business Services Limited	
Viraj Londhe <i>Partner</i> Membership No. 45761	Swaminathan Subramaniam <i>Whole Time Director & CEO</i>	Deepta Rangarajan <i>Whole Time Director</i>
Place : Mumbai Date : May 30, 2018	Balachandran Krishnan <i>Whole Time Director & CFO</i>	Jay Mistry <i>Company Secretary</i>

INDEPENDENT AUDITOR'S REPORT

To the Members of
IRIS BUSINESS SERVICES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of IRIS BUSINESS SERVICES LIMITED ("here in after referred to as the "Parent") and its subsidiary companies (the Parent and its subsidiary companies together referred as "Group"), which comprises the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information ('the consolidated financial statements').

Management's Responsibility for the Consolidated financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act as applicable. The respective Board of Directors of the Company and its subsidiary companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of 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 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 consolidated financial statements 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 these consolidated financial statements by the Board of Directors of the Company.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with the ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial controls relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors referred to in the 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention of the members to the note 34 regarding financial position of company's Subsidiary Iris Business Services (Asia) PTE Ltd. The net assets of the company are negative as on the balance sheet date. The management has stated that it will continue to provide its support as and when necessary. Our opinion is not qualified in respect of these matters.

Other Matter

We did not audit the financial statements of two foreign subsidiary companies, whose financial statements reflect total assets of ₹ 28,48,388/- as at March 31, 2018 and total revenues of ₹ 48,87,909/-, net loss of ₹ 2,22,879/- and net cash outflow of ₹ 9,19,676/- for the year ended on that date. These financial

statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

We did not audit the financial statement of one more foreign subsidiary company, whose financial statement reflect total assets of ₹ 74,12,924/- as at March 31, 2018 and total revenues of ₹ 2,84,35,294/- and net profit of ₹ 38,33,986/- and net cash outflow amounting to ₹ 1,66,840/- for the year ended on that date, as considered in the consolidated financial statements. The said financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and the other financial information of the subsidiaries incorporated outside India, referred in the Other Matters paragraph above we report, to the extent applicable, that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
 - b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements

- d. in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent, none of the directors of the Parent is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. we have enclosed our separate report in "Annexure A" with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls of the only Indian company, i.e. Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other Matters' paragraph:
 - i. The Group does not have any pending litigations which would impact its financial position.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent.
 - iv. The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2018.

For and on behalf of
M. P. Chitale & Co
 Chartered Accountants
 Firm's registration number: 101851W

CA. Viraj Londhe
 Partner

Place: Mumbai
 Date: May 30, 2018

Membership number: 45761

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IRIS BUSINESS SERVICES LIMITED

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

To the Members of
IRIS BUSINESS SERVICES LIMITED

We have audited the internal financial controls over financial reporting of the Parent as of March 31, 2018 in conjunction with our audit of the Consolidated Financial Statements of the Parent for the year ended on that date. Our reporting on the Internal Financial Controls in the case of consolidated financial statements, is applicable only to the Parent, which has been audited by us.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable

to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

control over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Parent has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For and on behalf of

M. P. Chitale & Co

Chartered Accountants

Firm's registration number: 101851W

CA. Viraj Londhe

Partner

Place: Mumbai

Date: May 30, 2018

Membership number: 45761

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2018

(AMOUNT IN ₹)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	18,87,91,620	6,93,75,810
(b) Reserves and surplus	4	11,22,94,733	12,05,72,780
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	5	6,87,81,534	9,83,62,130
(b) Deferred tax liabilities (Net)		6,75,949	49,49,867
4 Current liabilities			
(a) Short-term borrowings	6	6,76,05,463	5,42,69,945
(b) Trade payables	7		
(i) Due to micro enterprises and small enterprises		17,99,221	2,03,982
(ii) Due to others		3,62,17,692	2,99,07,362
(c) Other current liabilities	8	10,21,69,120	7,64,03,219
(d) Short-term provisions	9	15,63,61,299	14,29,77,073
TOTAL		73,46,96,631	59,70,22,168
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		10,12,68,124	10,57,92,191
(ii) Intangible assets		8,67,77,843	9,51,16,003
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		17,32,92,540	17,68,83,455
(b) Long-term loans and advances	11	4,74,410	4,74,410
(c) Other non-current assets	12	67,76,794	33,83,939
2 Current assets			
(a) Trade receivables	13	13,34,71,851	7,73,55,214
(b) Cash and Bank Balance	14	8,35,06,715	30,37,390
(c) Short-term loans and advances	15	69,93,391	55,87,633
(d) Other current assets	16	14,21,34,963	12,93,91,933
TOTAL		73,46,96,631	59,70,22,168

The accompanying policies and notes form an integral part of the financial statements
As per our Report of even date attached

For **M. P. Chitale & Co.**
Chartered Accountants
FRN: 101851W

For and on behalf of Board of Directors of IRIS Business Services Limited

Viraj Londhe
Partner
Membership No. 45761

Swaminathan Subramaniam
Whole Time Director & CEO

Deeptha Rangarajan
Whole Time Director

Place : Mumbai
Date : May 30, 2018

Balachandran Krishnan
Whole Time Director & CFO

Jay Mistry
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

(AMOUNT IN ₹)

Particulars	Refer Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
I. Revenue from operations	17	34,95,14,144	27,31,66,195
II. Other income	18	63,84,371	25,42,173
III. Total Revenue (I + II)		35,58,98,515	27,57,08,368
IV. Expenses:			
Employee benefits expense	19	20,41,52,267	17,76,35,304
Finance costs	20	2,00,19,718	2,08,25,231
Depreciation and amortization expense	21	4,48,86,595	4,62,63,809
Other expenses	22	14,27,31,973	14,78,25,018
Total expenses		41,17,90,553	39,25,49,362
V. Profit from ordinary activities before exceptional and extraordinary items and tax (III-IV)		(5,58,92,038)	(11,68,40,994)
VI. Exceptional expenses / (incomes)	23	-	43,76,928
VII. Profit from ordinary activities before extraordinary items and tax (V - VI)		(5,58,92,038)	(12,12,17,922)
VIII. Extraordinary Items		-	-
IX. Profit from ordinary activities before tax (VII- VIII)		(5,58,92,038)	(12,12,17,922)
X Tax expense:			
(1) Current tax		-	4,28,067
(2) Deferred tax		(42,73,918)	(1,56,42,720)
(3) Tax expense / (income) for earlier years		-	-
XI Profit (Loss) for the period from continuing operations (IX-X)		(5,16,18,120)	(10,60,03,269)
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)		(5,16,18,120)	(10,60,03,269)
XVI Attributable to Minority Interest Holder		62,873	10,542
XVII Attributable to Parent		(5,16,80,993)	(10,60,13,811)
XVIII Earnings per equity share:			
(1) Basic		(3.18)	(7.64)
(2) Diluted		(3.18)	(7.64)

The accompanying policies and notes form an integral part of the financial statements

As per our Report of even date attached

For M. P. Chitale & Co.

Chartered Accountants

FRN: 101851W

For and on behalf of Board of Directors of IRIS Business Services Limited

Viraj Londhe

Partner

Membership No. 45761

Place : Mumbai

Date : May 30, 2018

Swaminathan Subramaniam

Whole Time Director & CEO

Balachandran Krishnan

Whole Time Director & CFO

Deepta Rangarajan

Whole Time Director

Jay Mistry

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(5,58,92,038)	(12,12,17,922)
Adjustments for :		
Depreciation / amortisation for the year	4,48,86,595	4,62,63,809
Write-off of Withholding tax	84,44,946	1,33,67,416
Loss on Sales of Furniture	1,91,893	6,05,576
Exceptional items non cash adjustments during the year	-	43,76,928
Expense on employee stock option scheme	22,16,220	-
Interest Expenses	1,90,56,493	1,97,06,284
Non Cash item in prior period expenses	11,510	-
Profit on sale / discarding of office equipment's	(2,34,462)	-
Interest Income	(22,45,023)	(7,59,969)
Other non-cash Adjustments	4,11,663	(61,38,822)
Total	7,27,39,835	7,74,21,222
Operating Cash Profit before Working Capital Changes	1,68,47,797	(4,37,96,700)
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Sundry Debtors	(5,61,16,637)	(2,04,61,214)
(Increase) / Decrease in Short Term Loans & advances and deposits	(3,16,55,005)	(48,09,480)
(Increase) / Decrease in Other Current Assets	(62,96,351)	14,17,357
(Increase) / Decrease in Long Term Loans and advances	-	48,270
(Increase) / Decrease in Other Non - Current Assets	(33,92,856)	(12,26,767)
(Decrease) / Increase in Trade Payables	79,05,569	1,96,50,020
(Decrease) / Increase in Other Current Liabilities	2,57,65,901	3,59,65,379
Increase / (Decrease) in Balance of cash credit facilities	1,33,35,519	2,13,28,244
(Decrease) / Increase in Short term Provisions	1,33,84,226	2,31,44,228
Total	(3,70,69,636)	7,50,56,037
Taxes Paid	(1,45,63,595)	60,87,453
Net Cash Inflow / (Outflow) in course of Operating activities (A)	(3,47,85,433)	3,73,46,790
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including capital advances)	(7,55,261)	(24,36,088)
In-house Software Products Capitalisation	(2,78,81,594)	(5,14,19,502)
Interest Income Received	19,16,993	13,82,877
Sales / Scrap Value of Fixed Assets	2,34,462	-
Net Cash Inflow / (Outflow) in the course of Investing Activities (B)	(2,64,85,400)	(5,24,72,713)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Share Capital & Share Premium	16,01,28,000	-
Fresh Loan /(Repayment) of term loans during the year (net)	(2,95,80,596)	(2,29,10,079)
Interest paid on Term Loans	(1,90,56,493)	(2,08,25,232)
Net cash flow used in financing activities (C)	11,14,90,911	(4,37,35,311)
Net increase / (decrease) in Cash and cash equivalents (A + B + C)	5,02,20,078	(5,88,61,234)
Add: Balance of Cash/Cash Equivalents at the beginning of the year	30,37,390	6,18,98,624
Cash/Cash Equivalents at the close of the year	5,32,57,468	30,37,390
Cash/Cash Equivalents as at 31.03.2018	5,32,57,468	30,37,390
Less: FDs given as security not in nature of cash and cash equivalent	-	-
	5,32,57,468	30,37,390

The accompanying policies and notes form an integral part of the financial statements
As per our Report of even date attached

For **M. P. Chitale & Co.**
Chartered Accountants
FRN: 101851W

For and on behalf of Board of Directors of IRIS Business Services Limited

Viraj Londhe
Partner
Membership No. 45761

Swaminathan Subramaniam
Whole Time Director & CEO

Deeptarangarajan
Whole Time Director

Place : Mumbai
Date : May 30, 2018

Balachandran Krishnan
Whole Time Director & CFO

Jay Mistry
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

1 Corporate information

IRIS Business Services Limited ("The Company") is a public limited company domiciled and headquartered in India and is listed on the Bombay Stock Exchange (BSE) SME Platform. The registered office of the Company is located at T-231, Tower 2, 3rd Floor, International Infotech Park, Vashi, Navi Mumbai – 400 703. The company has subsidiaries in United States, Singapore and Italy. Incorporated in 2000, IRIS is a global provider of software products for compliance, data and analytics.

The Company cater to Regulators including Central Banks, Business Registries, Capital Market Regulators and Stock Exchanges. We also provide solutions to the regulated, including Corporates, Banks, Mutual Funds.

The financial statements of the Company for the year were approved and adopted by Board of Directors of the Company in its meeting held on May 30, 2018.

Name of Subsidiary	Country	% of holding	Year ended on
IRIS Business Services LLC	USA	100.00	31-03-2018
IRIS Business Services (Asia) Pte Ltd	Singapore	98.36	31-03-2018
Atanou S.r.l.	Italy	100.00	31-03-2018

2 Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act').

The accounts have been prepared on historical cost basis using the accrual basis of accounting. The preparation of financial statements as per this policy requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets / inputs for processing and their realisation in cash and cash equivalents, the company has ascertained its normal operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities.

2.2 Principles of consolidation

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date, on which investment in the subsidiary is made, is recognised as 'Goodwill (on consolidation)'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve (on consolidation)' in the consolidated financial statements. However, since all investments in subsidiary companies were made at the time of its formation, there is no Goodwill or Capital Reserve in the present consolidated financial statements.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies are made and further movements in their share in the equity, subsequent to the dates of investments. Since minority interest is negative in this consolidation, the same is adjusted against reserves and surplus.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

2.3 Translation to Indian Rupees

The functional currency of the Parent Company is Indian Rupee.

The functional currencies of the subsidiaries are their respective local currencies. Their accounts are converted from their local currency to Indian Rupees in the following manner:

All income and expense items are translated at the annual average rate of exchange applicable for the year. All monetary assets and liabilities are translated at the closing rate of exchanges on the Balance Sheet date. For all non-monetary assets and liabilities opening balances are brought forward from the last year Indian rupee value and addition, deletions and adjustments thereto during the financial year have been made using the average annual rate of exchange applicable for the year. The equity share capital is stated at the exchange rate at the date of investment. The exchange difference arising out of the yearend translation is debited or credited to Foreign Currency Translation Reserve account and is being classified under Reserves and Surplus Account.

2.4 Revenue Recognition

Revenue is recognized when no significant uncertainty exists as to either the measurement or ultimate realization of the same.

Revenue from Operations

- i. Revenue from contracts for development or customization of software is measured using the proportionate completion method and are recognised, provided at the time of performance it is not unreasonable to expect ultimate collection.
- ii. Revenue from sale of software/ software licenses which do not involve any customization are recognized upon delivery of the software to the clients and subscription income is recognized as revenue are recognised over the period of the subscription.
- iii. Revenue from advertisement, data conversion services is recognised after the performance of the services and it is not unreasonable to expect ultimate collection.
- iv. Revenues from maintenance and content contracts are recognised on a straight line basis over the period of the contract.
- v. Royalty income is recognised as and when right to receive royalty is established.
- vi. When the uncertainty, relating to the collectability arises subsequent to the rendering of the service, a separate provision is made to reflect the uncertainty and the amount of revenue originally recorded is not adjusted.
- vii. Unbilled revenue included in 'Other current assets,' represents amounts in respect of services performed in accordance with contract terms, not yet billed to customers at the year end. Income billed in advance included in 'Other current liabilities' represents amounts received/billed in excess of the value of work performed in accordance with the terms of the contracts with customers.

Other Income

- i. Interest on Bank deposits is recognized on accrual basis.
- ii. Rental income is recorded on accrual basis.
- iii. Any other income is recognized on accrual basis, when no significant uncertainty as to measurability or collectability exists.

2.5 Fixed Assets

Tangible Fixed Assets are stated at the cost of acquisition less accumulated depreciation. Cost includes incidental expenses incurred during the acquisition/ installation, and excludes taxes and duties for which credit has been claimed.

Intangible assets are recorded at the consideration paid for acquisition of such asset and are carried at cost less accumulated amortisation and impairment.

Capitalisation of Expenses incurred for development of software:

Costs incurred in the development of proprietary software products have been classified and grouped under the heads "Software Developed In-House" & "Intangible Assets under Development" under Fixed Assets as per the recognition criteria laid down under AS 26 . Expenditure on research is recognised as an expense when it is incurred. Development costs of products are also charged to the Statement of Profit and Loss unless all the criteria for capitalisation as set out in AS 26 - 'Intangible Assets' have been met by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

2.6 Depreciation & Amortization

Tangible fixed assets are depreciated on straight line basis over the useful life as specified in Schedule II of Companies Act, 2013. Individual assets whose cost does not exceed ₹ 5,000/- are depreciated fully in the year of purchase.

Leasehold Property is being amortised over the remaining leasehold period on straight-line basis.

Software products both proprietary and purchased are amortized over a period of 5 to 6 years on straight line basis, the amortization commences once the said product is available for use.

The useful lives used by the Company on various assets are as below:

<u>Assets type</u>	<u>Useful life (in Years)</u>
Building	60
Laptop & desktops	3
Server & networks	6
Furniture	10
Office equipment	5
Software	5

The accounting policy followed by IRIS Business Services (Asia) Pte Ltd regarding depreciation rates in respect following fixed assets is not in line with the policy followed by the holding company.

<u>Fixed Asset</u>	<u>Rate followed by Subsidiary</u>	<u>Rate followed by the holding Company</u>
Furniture and Fixtures	33 % p.a.	10% p.a.
Office Equipment	33 % p.a.	20% p.a.

Considering the value of fixed assets held by Iris Business Services (Asia) PTE Ltd. and the depreciation thereon, the company is of the view that there are no material differences to the overall consolidated financial statement due to this different depreciation policy followed by the subsidiary.

2.7 Impairments

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. Recoverable amount is higher of an asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent carrying amount exceeds recoverable amount. Assessment is also done at each Balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.8 Investments

Long term investments are stated at cost, and provision for diminution is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments. Short term investments are valued at lower of cost and net realizable value.

2.9 Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognized in the financial statements.

2.10 Miscellaneous Expenditure including share issue expenses

Preliminary and other miscellaneous expenses and share issue expenses are written off as and when incurred in accordance with the requirements of accounting standard 26.

2.11 Prepaid Expenses

Expenses which are incurred in one year and which spill over to the subsequent years are recognised as prepaid on proportionate basis.

2.12 Employee Benefits

Short-term employee benefits including salaries, wages, bonus and other benefits are recognized as expenses at the actual value as per contractual terms & charged to the profit and Loss Account for the year in which the related service is rendered.

The employees are eligible for leave as per leave policy of the company. The un-utilised leave can be carried forward and utilised during the course of employment. No encashment is allowed of unutilised leave. The obligation for the leave encashment is recognised based on an independent actuarial valuation at the Balance Sheet date. The expense is recognized in the statement of profit and loss at the present value of the amount payable determined based on actuarial valuation using "projected unit credit method".

The Company has provided for gratuity payable to employees on the basis of actuarial valuation carried out by an independent actuary as per Projected Unit Credit Method carried out at the closed of the year. The Company makes annual contributions in respect of those employees who have completed five years in service, to the Group Gratuity Cash Accumulation Scheme of the LIC, which is a funded defined benefit plan.

2.13 Taxation

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws. Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unabsorbed depreciation or carry forward losses are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date for any write down or reversal, as considered appropriate.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing the current tax and where the deferred tax assets and liabilities relate to taxes on income levied by the same governing taxation laws.

2.14 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.15 Service Tax and GST

Service tax is accounted in accordance with the Guidance note on Accounting of Service Tax issued by ICAI. Accordingly input credit to the extent not utilized for payment of service tax accounted as asset as it would be available for adjustment against Service Tax payable in the future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

With effect from 01st July 2017, Goods and Service Tax Act was made effective replacing Value Added Tax and Service Tax provisions. The Goods and Services Tax, namely CGST, SGST and IGST, hereinafter referred to as GST, was levied on the services rendered by the Company on the similar lines as was Service tax was levied. The unutilised Cenvat credit as on 30th June 2017 was transferred under the GST provisions. The unutilised input credit under the GST provisions as on the balance sheet date was disclosed as other current asset in the balance sheet.

2.16 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.17 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.19 Accounting for Employee Stock Options

Stock options granted to employees of IRIS Business Services Limited and its subsidiaries under the stock option schemes approved by the shareholders of the Company on September 13, 2017 are accounted as per the treatment prescribed by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accounts of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The fair value of the option being stock option granted for purchase could be exchanged between knowledgeable, willing parties in an arm's length transaction is recognised as deferred employee compensation with a credit to share options outstanding account. The Expense on deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to Expense on Employee Stock Option Scheme, equal to the amortized portion of value of lapsed portion and a debit to share options outstanding account equal to the un-amortised portion.

2.20 Cash and Bank Balance

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 3 Share Capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 10/- each	2,50,00,000	25,00,00,000	80,00,000	8,00,00,000
Issued				
Equity Shares of ₹ 10/- each	1,88,79,162	18,87,91,620	69,37,581	6,93,75,810
Subscribed & Paid up				
Equity Shares of ₹ 10/- each fully paid	1,88,79,162	18,87,91,620	69,37,581	6,93,75,810
Total	1,88,79,162	18,87,91,620	69,37,581	6,93,75,810

Reconciliation of shares outstanding at the beginning and at the end of the reporting period.

Particulars	Equity Shares			
	As at 31 March, 2018		As at 31 March, 2017	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	69,37,581	6,93,75,810	69,37,581	6,93,75,810
Shares Issued during the year	1,19,41,581	11,94,15,810	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,88,79,162	18,87,91,620	69,37,581	6,93,75,810

The Company does not have any holding company.

Shares in the Company held by each shareholder holding more than 5 percent share specifying the number of shares held:

Name of Shareholder	Equity Shares			
	As at 31 March, 2018		As at 31 March, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Swaminathan Subramaniam	48,72,168	26	24,36,084	35
Vistra ITCL India Limited (Trustee for Shubkam Growth Fund I)	39,07,598	21	19,53,799	28
Deepta Rangarajan	14,46,052	8	7,21,026	10
Balachandran Krishnan	11,04,000	6	5,52,000	8
Madhuri Kela	10,72,000	6	-	-
Total	1,24,01,818	-	56,62,909	-

As per records of the Company, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Shares reserved for issue under option

Particulars	As at 31 March, 2018	As at 31 March, 2017
Number of shares to be issued under the Employee Stock Option Plans	7,00,000	-

[Refer note 29 for details of shares to be issued under the Employee Stock Option Scheme.]

Aggregate number of shares issued as fully paid up for consideration other than cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the reporting date.

Particulars	Year (Aggregate No. of Shares)				
	2017-18	2016-17	2015-16	2014-15	2013-14
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	69,37,581	-	-	-	-
Shares bought back	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 3 Share Capital (Contd.)

Rights, preferences and restrictions attached to equity shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Note 4 Reserves & Surplus

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
a. Securities Premium Account		
Opening Balance	7,01,14,550	7,01,14,550
Add : Securities premium credited on Share issue	11,00,88,000	-
Less : Premium Utilised for various reasons		
Premium on Redemption of Debentures		
For Issuing Bonus Shares	6,93,75,810	-
Closing Balance	11,08,26,740	7,01,14,550
b. Share Options Outstanding Account		
Opening Balance		
Add: Amounts recorded on grants/modifications/cancellations during the year	22,16,220	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	22,16,220	-
c. General Reserves		
Opening Balance	4,75,000	4,75,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	4,75,000	4,75,000
d. FCTR	(15,73,009)	(11,51,706)
e. Minority Interest	(52,168)	(1,07,578)
f. Surplus		
Opening balance	5,12,42,514	15,07,89,824
(+) Net Profit/(Net Loss) For the current year	(5,16,80,993)	(10,60,13,811)
(+) Other Adjustments	8,40,429	64,66,501
Closing Balance	4,01,950	5,12,42,514
Total	11,22,94,733	12,05,72,780

Note 5 Long Term Borrowings

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Secured		
(a) Term loans		
# from Federal Bank	9,15,66,719	12,11,47,315
(Secured against Property at T-231, 3rd Floor, Tower No. 2, International Infotech Park, Vashi, Navi Mumbai - 400 703)		
Loan Sanctioned ₹ 16,00,00,000 on 16th March 2015		
Interest Rate - Base rate + 1.15% p.a. (variable)		
Current Interest Rate 11.35% (Previous year 11.35%)		
Repayable in 84 months in 28 quarterly instalments		
This loan is guaranteed by executive directors of the company		
Amount disclosed under the head Other Current Liabilities See Note No. 8 (a)	(2,27,85,185)	(2,27,85,185)
Total	6,87,81,534	9,83,62,130

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 6 Short Term Borrowings

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Secured		
(a) Loans repayable on demand		
from banks		
Cash Credit from Federal bank	6,76,05,463	5,42,69,945
Loan Sanctioned ₹ 7,00,00,000 on 19th September 2016		
Interest Rate - Base rate + 2.01% p.a. (variable)		
Current Interest Rate 11.53% (Previous year 11.35%)		
This loan is guaranteed by executive directors of the company		
Total	6,76,05,463	5,42,69,945

Note 7 Trade Payables

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Dues to Micro, Small & Medium Enterprises (MSMEs)	17,99,221	2,03,982
(b) Dues to Others	3,62,17,692	2,99,07,362
Total	3,80,16,913	3,01,11,344

Note 8 Other Current Liabilities

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Current maturities of long-term debt - Federal	2,27,85,185	2,27,85,185
(b) Interest accrued and not due on borrowings	-	-
(c) Income billed in Advance	2,54,03,150	2,21,97,828
(d) Accrued expenses	26,50,121	12,60,788
(e) Other Payables	19,19,294	7,55,013
- Refundable Deposits received	90,000	90,000
- Statutory Dues	39,42,663	33,35,506
- Amounts Payable to staff against Expenses incurred	1,30,681	13,15,626
- Salaries, Wages & Bonus Payable	4,49,08,283	2,43,59,382
- Contribution to PF / ESIC / MLWF Payable	3,39,743	3,03,891
Total	10,21,69,120	7,64,03,219

Note 9 Short Term Provisions

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Provision for employee benefits		
- Incentives	5,46,77,370	4,55,51,514
- Gratuity	1,84,79,316	1,41,38,004
- Leave Encashment	25,78,700	28,53,027
(b) Others (Specify nature)		
Provision for Expenses Payable		
- Audit Fees	8,19,000	8,19,000
- Consultancy Charges	58,40,703	85,47,506
- Others	72,94,686	43,96,498
Provision for Taxes	6,66,71,524	6,66,71,524
Total	15,63,61,299	14,29,77,073

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 10 Fixed Assets

(AMOUNT IN ₹)

Particulars	Gross Block				Accumulated Depreciation and Impairment					Net Block		
	Balance as at 1 April 2017	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance As at 31 March 2018	Balance as at 1 April 2017	Depreciation charge at 31 March 2018	Adjustment due to revaluations/ Impairment	On disposals	Balance As at 31 March 2018	Balance as at 31 March 2017	Balance as at 31 March 2018
a. Tangible Assets												
Land												
Buildings (Leasehold)	10,70,93,510	-	-	-	10,70,93,510	87,00,851	19,47,156	-	-	1,06,48,007	98,39,26,59	96,44,50,3
Plant and Equipment	5,98,27,143	5,52,174	-	-	6,03,79,317	5,41,41,728	21,64,705	-	-	5,63,06,432	56,85,415	40,72,885
Furniture and Fixtures	85,69,597	-	-	-	38,31,976	73,03,427	3,34,216	-	45,45,728	30,91,915	12,66,170	7,40,062
		(47,37,621)										
Office equipment	70,94,874	-	-	-	50,77,143	66,46,928	4,38,271	-	20,17,731	50,67,469	4,47,946	9,674
		(20,17,731)										
Total	18,25,85,124	(62,03,178)	-	-	17,63,81,946	7,67,92,933	48,84,348	-	65,63,459	7,51,13,823	10,57,92,191	10,12,68,124
b. Intangible Assets												
Database	6,00,450	-	-	-	6,00,450	6,00,450	-	-	-	6,00,450	-	-
URL's	5,00,000	-	-	-	5,00,000	5,00,000	-	-	-	5,00,000	-	-
Computer software	1,93,78,404	2,03,087	-	-	1,95,81,491	1,49,77,460	20,42,715	-	-	1,70,20,175	44,00,944	25,61,316
Software developed in-house	25,13,80,521	3,14,72,509	-	-	28,28,53,030	16,06,65,461	3,79,71,042	-	-	19,86,36,503	9,07,15,060	8,42,16,527
Total	27,18,59,375	3,16,75,596	-	-	30,35,34,971	17,67,43,371	4,00,13,757	-	-	21,67,57,128	9,51,16,004	8,67,77,843
c. Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
d. Intangible assets under Development	17,68,83,455	2,78,81,594	-	-	17,32,92,540	-	-	-	-	-	17,68,83,455	17,32,92,540
		(3,14,72,509)										
Total	63,13,27,954	2,18,81,503	-	-	65,32,09,457	25,35,36,304	4,48,98,105	-	65,63,459	29,18,70,951	37,77,91,650	36,13,38,507

Note 11 Long Term Loans and Advances

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Security Deposits		
Secured, considered good		
Unsecured, considered good	4,74,410	4,74,410
Doubtful		
Less: Provision for doubtful deposits	-	
Total	4,74,410	4,74,410

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 12 Other non-current assets

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
a. Term Deposits with remaining maturity exceeding 12 months (Term Deposits offered as security against bank guarantees)	67,76,794	33,83,938
Total	67,76,794	33,83,938

Note 13 Trade Receivables

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	12,01,60,398	6,84,57,127
Unsecured, considered doubtful	4,56,790	1,86,084
Less: Provision for doubtful debts	(4,56,790)	(1,86,084)
	12,01,60,398	6,84,57,127
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	1,33,11,453	88,98,087
Unsecured, considered doubtful	22,61,314	23,00,933
Less: Provision for doubtful debts	(22,61,314)	(23,00,933)
	1,33,11,453	88,98,087
Total	13,34,71,851	7,73,55,214

Trade Receivable stated above include debts due by:

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Proprietorship of Directors	56,91,359	85,91,115
Other officers of the Company *	Nil	Nil
Firm in which director is a partner *	Nil	Nil
Private Company in which director is a member	9,98,591	12,31,991
Total	66,89,950	98,23,106

*Either severally or jointly

Note 14 Cash & Bank Balance

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
1. Cash & Bank Balance		
a. Balances with banks	5,14,20,572	28,08,411
b. Cash on hand	8,179	13,723
c. Term Deposits with Original Maturity less than or equal to 3 months	18,28,717	2,15,256
2. Other Bank Balances		
a. Term Deposits with remaining maturity of 12 months or less	3,02,49,247	-
Total	8,35,06,715	30,37,390

Note 15 Short-term loans and advances

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
a. Loans and advances to related parties		
Secured, considered good		
Unsecured, considered good		
Less: Provision for doubtful loans and advances	-	-
	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 15 Short-term loans and advances

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
b. Others (specify nature)		
Secured, considered good		
Unsecured, considered good		
Prepaid Expenses	69,33,356	55,15,680
Loans to Staff	-	52,691
Advances to Staff	60,035	19,262
	69,93,391	55,87,633
Total	69,93,391	55,87,633

Note 15(a) Loans and advances to related parties

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Private Company in which director is a member*	-	-
Total	-	-

*Either severally or jointly

Note 16 Other current assets

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Interest Accrued on Fixed Deposits	3,88,812	60,782
Taxes on Income	10,20,49,380	9,59,30,731
Service Tax Refund Claim	44,03,457	61,43,714
Service Tax Input Credit	6,26,384	36,51,888
GST Input Credit	17,14,274	-
Unbilled Revenue (net)	2,84,67,154	2,14,35,588
Other Current Assets	44,85,503	21,69,230
Total	14,21,34,964	12,93,91,933

Note 17 Revenue from Operations

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Sale of products	7,14,84,928	2,26,23,710
XBRL Related Projects & Services	25,57,13,525	22,22,21,473
myiris.com, Content and Technology Services	2,23,15,691	2,83,21,012
Total	34,95,14,144	27,31,66,195

Note 18 Other Income

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Interest Income	22,45,023	7,59,969
Net Exchanges gain/(loss)	3,69,150	2,86,711
Other non-operating income (net of expenses directly attributable to such income)	37,70,198	14,95,493
Total	63,84,371	25,42,173

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 19 Employee Benefits Expense

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Salaries and wages	19,17,92,519	16,97,48,869
Contribution to provident and other funds	95,02,704	71,93,927
Staff welfare expenses	6,40,824	6,92,508
Employee stock option expenses	22,16,220	-
Total	20,41,52,267	17,76,35,304

Note 20 Finance Cost

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Interest expense	1,90,56,494	1,91,18,159
Bank Charges/ Commission	9,63,224	11,18,947
Other Finance costs	-	5,88,125
Total	2,00,19,718	2,08,25,231

Note 21 Depreciation and amortisation expenses

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Depreciation	4,48,86,595	4,62,63,809
Amortisation of preliminary Expenses	-	-
Total	4,48,86,595	4,62,63,809

Note 22(a)

Other Expenses (I)

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Legal, Professional and Consultancy Fees	2,32,44,920	3,40,89,878
Directors' Sitting Fees	3,40,000	-
Travelling and Conveyance	97,63,239	70,55,245
STPI / Non-STPI - Annual Service Charges	6,75,000	-
Commission / Brokerage Charges	8,24,944	-
Postage, Telephone & Communication Charges	43,97,813	48,51,431
Printing & Stationery	2,08,802	3,85,104
Business Promotion Expenses	8,59,368	14,28,386
Foreign Travel Expenses	1,92,04,800	2,16,44,313
Software Development Expenses	33,57,200	9,43,500
Conference Expenses	11,800	14,51,460
Data Sourcing Expenses	6,57,449	6,47,092
Internet Co-Location Charges	84,61,508	60,74,767
Membership Fees	2,38,542	7,35,723
Registry Maintenance Expenses	59,671	-
Office Maintenance Expenses	21,62,113	22,35,575
Repairs & Maintenance Expenses	1,69,548	11,82,590
Kuwait Retention Expenses	5,05,152	12,59,715
Software Licence & Hardware Fees	2,64,98,697	2,09,41,214
Bad debts written off	89,27,054	344
Sundry Balance Written-Off	88,09,735	39,72,309
Provision for Doubtful Debts	2,31,087	1,24,58,737
IPO Issue Expenses	45,97,097	-
Loss on Disposals of Fixed Assets	1,91,893	6,05,576
Total	12,43,97,432	12,19,62,959

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 22(b)

Other Expenses (II)

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Payment to auditors as		
Auditor	8,74,187	8,18,073
For taxation matters	2,20,000	2,20,000
For other services	65,000	65,000
Reimbursement of expenses	29,520	7,500
Total	11,88,707	11,10,573

Note 22(c)

Other Expenses (III)

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Prior year Adjustments (Net) Expense / (Income)	40,95,631	1,04,92,608
Total	40,95,631	1,04,92,608

Note 22(d)

Other Expenses (IV)

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a) Electricity & Water Charges	35,48,723	34,90,285
(b) Rent	33,30,789	60,39,478
(c) Repairs to machinery	7,65,678	8,47,421
(d) Insurance	2,56,798	5,80,358
(e) Rates and taxes, excluding, taxes on income	27,49,018	15,21,700
(f) Miscellaneous expenses	23,99,197	17,79,636
Total	1,30,50,203	1,42,58,878

Note 22(a+b+c+d)

14,27,31,973 14,78,25,018

Note 23 Exceptional items

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Impairments On Fixed Assets	-	43,76,928
Total	-	43,76,928

Note 24 Contingent Liabilities and Commitments

(AMOUNT IN ₹)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(i) Contingent Liabilities		
(a) Guarantees	3,28,26,416	1,66,91,283
(b) Revenue Commitment	2,61,192	31,10,107
	3,30,87,608	1,98,01,390

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018**Note 25 Taxes On Income**

Current Tax is determined as the amount of tax payable in respect of the taxable income for the period. Deferred tax is computed in respect of timing differences in accordance with Accounting Standard 22. The components of deferred tax liabilities / assets are as under -

	(AMOUNT IN ₹)	
	As at 31 March, 2018	As at 31 March, 2017
Deferred tax assets in respect of:		
Provision for Gratuity & Leave Encashment	54,75,084	52,50,229
Provision for Bad Debts	7,06,707	39,45,503
Provision for Bonus	1,42,16,116	1,40,75,418
Total	2,03,97,907	2,32,71,150
Deferred tax liabilities in respect of:		
Depreciation	2,10,73,856	2,82,21,017
Total	2,10,73,856	2,82,21,017
Net Deferred Tax Asset / Liability	6,75,949	49,49,867
Deferred tax expenses (Net)	(42,73,918)	(1,56,42,720)

Minimum Alternative Tax (MAT) Credit

In accordance with accounting policy of the company, MAT credit balance not recognised as an assets as at 31.03.2018 is ₹ 3,75,54,770/- (As at 31.03.2017 is ₹ 3,75,54,770/-).

Note 26 Operating Leases

The Company has entered into leave & license arrangement for its office premises for a period of 60 months.

The total future minimum lease payments under the leave & license arrangements classified as operating lease for each of the periods is given below:

	(AMOUNT IN ₹)	
	As at 31 March, 2018	As at 31 March, 2017
In less than a year	NIL	31,10,107
In 1 year to 5 years	2,61,192	2,61,192
In greater than 5 years	NIL	NIL

Note 27 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	(AMOUNT IN ₹)	
	As at 31 March, 2018	As at 31 March, 2017
Principal amount remaining unpaid to any supplier as at the end of the accounting year	17,99,221	2,03,982

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 28.1 Employee benefits

The disclosures required as per the revised Accounting Standard (AS) 15 -Employee Benefits (revised 2005) are as under:

Defined benefit plan (Gratuity) - As per the independent actuarial valuation carried out as at March 31, 2018

	(AMOUNT IN ₹)	
	As at 31 March, 2018	As at 31 March, 2017
(A) Change in Present Value of Obligation		
Defined Benefit Obligation, Beginning of Period	1,94,46,276	1,89,56,458
Service Cost	29,37,176	31,34,643
Interest Cost	13,19,621	14,84,052
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	10,23,237	6,93,225
Changes in Foreign Currency Exchange Rates	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 28.1 Employee benefits (Contd.)

(AMOUNT IN ₹)

	As at 31 March, 2018	As at 31 March, 2017
Acquisition/Business Combination/Divestiture	-	-
Benefit paid directly by the Company	(24,00,023)	(48,22,102)
Past Service Cost	4,71,762	-
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	2,27,98,049	1,94,46,276
(B) Change in Fair Value of plan assets		
Fair value of Plan Assets, Beginning of Period	53,08,272	71,93,533
Expected Return on Plan Assets	3,30,775	4,76,064
Actual Company Contributions	12,34,185	26,57,471
Actual Plan Participants' Contributions	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	(1,54,476)	(1,96,694)
Benefits Paid by the insurer	(24,00,023)	(48,22,102)
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
Fair value of Plan Assets, End of Period	43,18,733	53,08,272
(C) Amount recognized in the Balance Sheet		
Defined Benefit Obligation	2,27,98,049	1,94,46,276
Fair value of Plan Assets	43,18,733	53,08,272
Funded Status - (Surplus)/Deficit	1,84,79,316	1,41,38,004
Past Service Cost not yet Recognised	-	-
Unrecognised Asset due to Limit in Para 58(B)	-	-
(Asset)/Liability Recognised in the Balance Sheet	1,84,79,316	1,41,38,004
(D) Net Gratuity Cost		
Service Cost	29,37,176	31,34,643
Interest Cost	13,19,621	14,84,052
Expected Return on Plan Assets	(3,30,775)	(4,76,064)
Past Service Cost	4,71,762	-
Net Actuarial Losses/(Gains) Recognised during the period	11,77,713	8,89,919
(Gain)/Loss due to Settlements/Curtailments/Terminations/Divestitures	-	-
Unrecognised Asset due to Limit in Para 58(B)	-	-
Total Expense/(Income) included in "Employee Benefit Expense"	55,75,497	50,32,550
Assumptions used in accounting for gratuity costs		
Date of Valuation		
Discount Rate	7.53%	7.00%
Salary Escalation Rate	7.00%	7.00%
Expected Rate of Return on Assets	7.53%	7.00%
Demographic Assumptions		
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Employee Turnover/ Withdrawal Rate	25.00%	23.00%
Retirement Age	60 years	60 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

28.2 Provision for Leave Encashment

Accounting Standard 15 (Revised 2005) Disclosures

(AMOUNT IN ₹)

	As at 31 March, 2018	As at 31 March, 2017
Amounts Recognised in Statement of Profit & Loss at Period-End		
Service Cost	4,33,070	4,53,370
Interest Cost	1,66,208	2,22,462
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Net Actuarial Losses/(Gains) Recognised during the period	(8,73,605)	(21,40,991)
(Gain)/Loss due to Settlements/Curtailments/Terminations/Divestitures	-	-
Unrecognised Asset due to Limit in Para 58(B)	-	-
Total Expense/(Income) included in "Employee Benefit Expense"	(2,74,327)	(14,65,159)
Change in Defined Benefit Obligation during the Period		
Defined Benefit Obligation, Beginning of Period	28,53,027	43,18,186
Service Cost	4,33,070	4,53,370
Interest Cost	1,66,208	2,22,462
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	(8,73,605)	(21,40,991)
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	-	-
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	25,78,700	28,53,027
Reconciliation of Amounts recognised in Balance Sheet		
Balance Sheet (Asset)/Liability, Beginning of Period	28,53,027	43,18,186
Total Expense/(Income) Recognised in Profit & Loss	(2,74,327)	(14,65,159)
Acquisition/Business Combination/Divestiture	-	-
Benefit Payouts	-	-
Balance Sheet (Asset)/Liability, End of Period	25,78,700	28,53,027
Assumptions used in accounting for leave encashment		
Date of Valuation		
Discount Rate	7.53%	7.00%
Salary Escalation Rate	7.00%	7.00%
Expected Rate of Return on Assets	NA	NA
Demographic Assumptions		
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Employee Turnover/ Withdrawal Rate#	25.00%	23.00%
Retirement Age	60 years	60 years
Leave Availment Ratio	10%	10%

Note 29 Employee Stock Option Scheme

The Company provides share-based payment schemes to its employees. The relevant details of the scheme are as follows:

In September 11, 2017 the Board of Directors approved the "IRIS Business Services Limited – Employee Stock Option Scheme 2017" in order to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company (including subsidiary companies) with an intent to attract and retain talent in the organization. The aforesaid scheme was duly approved by shareholders in its EGM held on September 13, 2017. The Nomination and Remuneration committee of the Board has granted following options under the said Scheme to certain category of employees as per criteria laid down by Nomination and Remuneration committee of the Board. Key terms of the scheme

Date of Shareholder's Approval	September 13, 2017
Total Number of Options approved	7,00,000
Vesting Schedule	Option shall vest not earlier than 1 (One) year and not later than maximum Vesting Period of 4 (Four) years from the date of grant

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018**Note 29 Employee Stock Option Scheme** (Contd.)

Maximum term of Options granted	9 Years
Method of Settlement	Shares
Source of shares	Primary-Fresh equity allotment by the company
Option Movement during the year ended March 2018	

Particulars	As at 31 March, 2018	As at 31 March, 2017
No. of Options Outstanding at the beginning of the year	-	NA
Options Granted during the year	7,00,000	NA
Options Forfeited / Surrendered during the year	-	NA
Number of options Outstanding at the end of the year	7,00,000	NA

Method and Assumptions used to estimate the fair value of options granted during the year ended: The fair value has been calculated using the Black Scholes Option Pricing model.

Variables	As at 31 March, 2018	As at 31 March, 2017
Risk Free Interest rate	6.61% to 7.00%	NA
Expected Life (in Years)	3.5 Years to 6.5 Years	NA
Expected Volatility	11.73%	NA
Dividend Yield	0.00%	NA
Stock Price (in ₹)	32	NA
Exercise Price (in ₹)	32	NA

Stock price

The stock price of the Company is the listing market price of the Company's equity share on Stock Exchanges on the date of grant.

Under the ESOP Schemes one option entitles one equity share of the Company.

Expected Volatility

Expected volatility is a measure of the amount by which share price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.

Since shares of the Company got listed only on the Grant Date and there is no history of share price trading, expected volatility had been derived from historic values NSE VIX index as on the Grant date.

Risk-free Rate of interest

The current yield rates of Central Government securities (with similar residual maturity as expected life of stock option) are being considered. This is based on the zero-coupon yield curve for Government Securities obtained from NSE.

Exercise Price

Exercise price is the price which the option holder has to pay at the time of exercising the option. Exercise prices are considered as per the information provided by the Company. As per the rules of ESOP plans, exercise price is the listing price of the shares of the Company on 11th October 2017 which is ₹ 32.00.

Time to Maturity / Expected Life of options

The expected life of an option will be in-between the minimum period before which the options cannot be exercised and the period after which the options cannot be exercised.

The fair value of each award has been determined based on different expected lives of the options that vest each year, as if the award were several separate awards, each with a different vesting date. A weighted average of all the vests has been calculated to arrive at the value of the options granted.

The time to maturity has been estimated as illustrated by the following example. In case of the grant made on 11 October 2017, the earliest date of vesting is one year from the date of grant that is 11 October 2018. Hence, the minimum life of the option is 1 year. The exercise period

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 29 Employee Stock Option Scheme (Contd.)

is Five years from the date of vest as per the ESOP scheme; hence the maximum life of this vest is 6 years. The expected life is the average of minimum and maximum life, i.e. 3.5 years $[(1 + 6)/2]$. The time to maturity for the remaining vests has been calculated in a similar manner.

Dividend Yield

Expected dividend yield has been taken as "NIL" since the Company has not declared any dividend in the past.

Note 30 Segment reporting

The Company has identified business segments (Nature of revenue stream) as its primary segment and geographic segments as its secondary segment. Business segments comprise of Collect Segment (Regulatory platform), Create Segment (Enterprise Platform) and Consume Segment (Data Consumption Platform and Content Services).

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to a specific segment have been allocated on the basis of associated manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

Geographical revenue is allocated based on the location of the customer. Geographic segments of the company are Middle Eastern Countries, America (including Canada and South American countries), Europe, India and Others:

Reporting of Segment wise Revenue, Results and Capital Employed

(AMOUNT IN ₹)		
Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
1. Segment Revenue		
(net sale/income from each segment should be disclosed under this head)		
(a) Segment – Collect	21,91,21,955	17,87,10,892
(b) Segment – Create	10,80,76,498	6,61,34,292
(c) Segment – Consume	2,23,15,691	2,83,21,012
(d) Unallocated	-	-
Less: Inter Segment Revenue	-	-
Net sales/Income From Operations	34,95,14,144	27,31,66,196
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)		
(a) Segment – Collect	3,72,56,202	86,19,485
(b) Segment – Create	(3,21,02,255)	(3,09,63,430)
(c) Segment – Consume	(31,83,748)	(3,17,32,725)
(d) Unallocated	69,25,251	22,55,461
Total	88,95,450	(5,18,21,209)
Less: i) Interest	1,99,09,600	2,08,25,231
ii) Depreciation & Amortisation	4,48,77,887	4,61,18,944
iii) Other non-cash un-allocable expenses	-	43,76,928
iv) Other Un-allocable Expenditure net off Un-allocable income	-	(19,24,391)
(iii) Total Profit Before Tax	(5,58,92,037)	(12,12,17,921)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 30 Segment reporting (Contd.)

(AMOUNT IN ₹)

Particulars	As at 31 March, 2018	As at 31 March, 2017
3. Segment Assets		
(a) Segment – Collect	11,95,55,206	5,48,82,394
(b) Segment – Create	13,18,16,857	3,53,49,595
(c) Segment – Consume	17,01,19,754	16,80,51,811
(d) Unallocated	31,32,04,813	33,83,43,227
Total assets	73,46,96,630	59,66,27,027
4. Segment Liabilities		
(a) Segment – Collect	2,47,55,597	1,13,28,002
(b) Segment – Create	83,84,029	23,75,503
(c) Segment – Consume	17,70,806	1,05,000
(d) Unallocated	39,86,99,846	39,28,69,932
Total liabilities	43,36,10,278	40,66,78,437
5. Total cost incurred during the period to acquire segment assets that are expected to be used during more than one period (tangible and intangible fixed assets);		
(a) Segment – Collect	-	-
(b) Segment – Create	3,14,72,509	7,53,61,945
(c) Segment – Consume	-	-
(d) Unallocated	7,55,261	23,89,526
Total	3,22,27,770	7,77,51,471

Revenues by Geography:

(AMOUNT IN ₹)

Country	For the year ended 31 March, 2018	For the year ended 31 March, 2017
China	-	1,73,817
England	2,88,03,890	2,87,43,557
India	11,43,72,717	6,01,89,115
Italy	8,62,628	7,65,510
Jordan	61,02,430	86,53,902
Kuwait	1,55,27,128	4,36,77,832
Malaysia	4,11,29,147	2,08,57,320
Mauritius	3,86,89,847	3,37,94,808
Qatar	77,72,589	32,86,889
Saudi Arabia	2,77,22,332	4,03,99,399
Singapore	1,53,62,729	1,72,07,766
South Africa	3,22,77,715	-
Thailand	3,00,218	20,23,633
Turkey	13,18,949	17,58,095
UAE	74,47,347	9,73,988
USA	1,18,24,478	1,06,60,565
Total	34,95,14,144	27,31,66,196

Segment assets by Geography:

India	74,95,79,407	60,49,05,990
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Capital assets acquired during the period by Geography:

India	3,22,27,770	7,77,51,471
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018**Note 31 Earnings Per Share**

The EPS computed in accordance with the Accounting Standard 20 on 'Earnings per Share' issued by the Institute of Chartered Accountants of India is as under:

(AMOUNT IN ₹)		
Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Net Profit for the Year	(5,16,80,993)	(10,60,13,811)
Weighted Average No. of Shares - Basic	1,62,33,211	1,38,75,162
Weighted Average No. of Shares - Diluted	1,62,33,211	1,38,75,162
<i>(Since the potential dilutive equity shares are anti-dilutive no. of shares considered for diluted EPS is same as basic EPS)</i>		
EPS - Basic	(3.18)	(7.64)
EPS - Diluted	(3.18)	(7.64)
Nominal value of each Equity Share	10.00	10.00

Note 32 Additional information to the financial statement**Related Party Transactions****a. Key managerial personnel (KMP), including KMP under Companies Act, 2013**

1. S. Swaminathan, Whole Time Director and Chief Executive Officer
2. Deepta Rangarajan, Whole Time Director
3. K. Balachandran, Whole Time Director and Chief Financial Officer
4. Rajesh Singh, Company Secretary and Compliance Officer (was on employment till 28th February 2018)
5. Jay Mistry, Company Secretary and Compliance Officer

b. Relatives of Key managerial personnel (KMP)

1. Deepta Rangarajan, Spouse of Mr. S. Swaminathan
2. N Subramaniam, Father of Mr. S. Swaminathan
3. Sivakamu Subramaniam, Mother of Mr. S. Swaminathan
4. S. Chandrasekhar, Brother of Mr. S. Swaminathan
5. S. Swaminathan, Spouse of Ms. Deepta Rangarajan
6. Santhanakrishnan Rangarajan, Father of Ms. Deepta Rangarajan
7. Shanti Rangarajan, Mother of Ms. Deepta Rangarajan
8. Rajalakshmi Balachandran, Spouse of Mr. K. Balachandran
9. Sharanya Balachandran, Daughter of Mr. K. Balachandran
10. Shyama Balachandran, Daughter of Mr. K. Balachandran
11. Vijayalakshmi Nambiar, Mother of Mr. K. Balachandran

c. Independent Directors

1. Narayan Seshadri, Non-Executive Independent Director
2. Partho Datta, Non-Executive Independent Director (Resigned on 28th November 2017)
3. Sanjoy Bhattacharya, Non-Executive Independent Director (Resigned on 24th November 2017)
4. Rakesh Kathotia, Nominee Director (Resigned on 12th September 2017)
5. U R Bhat, Non-Executive Independent Director (Resigned on 3rd September 2017)
6. Bhaswar Mukherjee, Non-Executive Independent Director
7. Vinod Balmukand Agarwala, Non-Executive Independent Director
8. Ashok Venkatramani, Non-Executive Independent Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 32 Additional information to the financial statement (Contd.)

d. Enterprises over which the above persons exercise significant influence/ control and with which the Company has transactions during the Year

1. FinX Solutions (UAE)
2. IRIS Knowledge Foundation
3. TVS Wealth Private Limited
4. TVS Electronics Limited

Transactions and balances with related parties

(AMOUNT IN ₹)

Particulars	Transactions during 2017-18	Outstanding as at 31.03.2018	Transactions during 2016-17	Outstanding as at 31.03.2017
Services rendered				
FinX Solutions	55,93,639	56,91,359	-	85,91,115
IRIS Knowledge Foundation	3,60,000	10,88,591	3,41,406	13,21,991
TVS Wealth Private Limited	10,000	-	-	-
TVS Electronics Limited	4,70,000	4,20,000	50,000	-
Remuneration				
S. Swaminathan	30,00,000	57,54,958	30,00,000	33,62,934
Deepta Rangarajan	30,00,000	24,86,930	30,00,000	14,56,363
K. Balachandran	30,00,000	27,17,390	30,00,000	20,31,883
Rajesh Singh (was on employment till 28th February 2018)	85,316	-	-	-
Jay Mistry	2,93,548	99,800	-	-
Reimbursement of Expenses				
S. Swaminathan	16,47,566	-	14,92,809	-
Deepta Rangarajan	14,33,900	-	16,12,594	-
K. Balachandran	7,11,128	-	15,27,295	-
Jay Mistry	2,795	-	-	-

Note 33 Details of Movement in Provisions and contingent liabilities, in terms of Accounting Standard 29 is as under:

(AMOUNT IN ₹)

Nature of Provision	Opening Balance as on 01-04-2017	Additions during the year	Reversal/ adjustments	Closing Balance as on 31/03/2018
Provision for Income Tax	6,66,71,524	-	-	6,66,71,524
Provision for Deferred Tax (Asset)/ Liability	49,49,867	-	42,73,918	6,75,949
Provision for Gratuity	1,41,38,004	55,75,497	12,34,185	1,84,79,316
Provision for leave encashment	28,53,027	-	2,74,327	25,78,700
Provisions in respect of Employee Benefits	4,55,51,514	93,74,067	2,48,211	5,46,77,370
Provision for Bad & Doubtful Debts	1,27,68,617	4,56,790	1,05,07,303	27,18,104
Provision for Other Expenses Payable	1,37,63,004	1,58,02,950	1,56,11,565	1,39,54,389
(a) Movements in Contingent Liabilities				
Contingent Liabilities	1,66,91,283	1,61,35,133	-	3,28,26,416

Note 34 Note on activities of Subsidiary "IRIS Business services (Asia) PTE Ltd."

As at 31st March 2017, the subsidiary's total liabilities exceeded its total assets by SGD 64,022/- (₹ 31,80,722/-). Its financial statements have been prepared on a going concern basis. We are committed to provide necessary financial support as and when necessary and there will not be any financial crisis in the said subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Note 35 Additional information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiaries and Associate

(AMOUNT IN ₹)

Particulars	Net Assets		Share in Profit / (Loss)	
	As a % of consolidated net assets	₹	As a % of consolidated Profit / (Loss)	₹
Parent				
IRIS Business Services Limited	104.62%	31,49,98,775	94.79%	(4,89,29,519)
Subsidiaries				
IRIS Business Services LLC	0.25%	7,49,319	-0.64%	3,30,643
Atanou S.r.l.	0.06%	1,93,875	0.0	(5,53,522)
IRIS Business Services (Asia) Pte. Ltd.	-1.06%	(31,81,174)	-7.43%	38,33,986
Sub Total	103.88%	31,27,60,795	87.80%	(4,53,18,412)
Less: Effect of intercompany adjustments / eliminations	3.88%	1,16,74,442	-12.20%	62,99,709
Total	100.00%	30,10,86,353	100.00%	(5,16,18,121)

Note 36

In the opinion of the Board, all assets other than fixed assets and non-current investments have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.

Note 37

Previous year's figures have been regrouped wherever necessary.

For M. P. Chitale & Co. Chartered Accountants FRN: 101851W	For and on behalf of Board of Directors of IRIS Business Services Limited	
Viraj Londhe Partner Membership No. 45761	Swaminathan Subramaniam Whole Time Director & CEO	Deepta Rangarajan Whole Time Director
Place : Mumbai Date : May 30, 2018	Balachandran Krishnan Whole Time Director & CFO	Jay Mistry Company Secretary



T-231, Tower 2, 3rd Floor, International Infotech Park, Vashi Station, Vashi, Thane - 400 703,
Maharashtra, India, Tel.: +91 22 6723 1000 Fax: +91 22 2781 4434, E-mail: cs@irisindia.net.

CIN : U72900MH2000PLC128943



ATTENDANCE SLIP

(To be presented at the entrance)

I / We hereby record my/our presence at the Annual General Meeting of IRIS Business Services Limited to be held on Friday, 31st August, 2018 at 11:00 a.m. (IST) at Navi Mumbai Sports Association (NMSA), Sector-1A, Vashi, Navi Mumbai-400 703, or at any adjournment thereof.

NAME OF THE MEMBER / PROXY /
AUTHORISED REPRESENTATIVE :

NAME OF THE PROXY / AUTHORISED
REPRESENTATIVE :

FOLIO NO. :

*DP ID & CLIENT ID :

NO. OF SHARES HELD :

*Note: In case the shares are held in dematerialized form

SIGNATURE OF THE MEMEBR:

SIGNATURE OF THE PROXY/
AUTHORISED REPRESENTATIVE:

Notes:

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the meeting.



T-231, Tower 2, 3rd Floor, International Infotech Park, Vashi Station, Vashi, Thane - 400 703,
Maharashtra, India, Tel.: +91 22 6723 1000 Fax: +91 22 2781 4434, E-mail: cs@irisindia.net.

CIN : U72900MH2000PLC128943

FORM NO. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

I / We hereby record my/our presence at the Annual General Meeting of IRIS Business Services Limited to be held on Friday, 31st August, 2018 at 11:00 a.m. (IST) at Navi Mumbai Sports Association (NMSA), Sector-1A, Vashi, Navi Mumbai-400 703, or at any adjournment thereof.

CIN	:	
Name of the company	:	
Registered Office	:	
Name of the member(s)	:	
Registered address	:	
Email Id	:	
Folio No. / Client Id	:	
DP ID	:	

I/We, being the member(s) of IRIS Business Services Limited holding _____ shares of the above named company, hereby appoint

1	Name	:	
	Address	:	
		:	
	Email Id	:	Signature :
or failing him/her			
1	Name	:	
	Address	:	
		:	
	Email Id	:	Signature :
or failing him/her			
1	Name	:	
	Address	:	
		:	
	Email Id	:	Signature :

as my/our proxy to attend and vote (on a poll or e-voting at the Venue, as may be provided by the Company) for me/us and on my/our behalf at the eighteenth Annual General Meeting of the company, to be held on Friday, 31st August, 2018 at 11:00 a.m. (IST) at Navi Mumbai Sports Association (NMSA), Sector-1A, Vashi, Navi Mumbai-400 703, and at any adjournment thereof in respect of such resolution(s) as are indicated below:

Sr. No.	Resolution(s)	AGAINST	FOR
1	To consider and adopt audited financial statements (standalone and consolidated) as on 31 st March 2018.		
2	To re-appoint Ms. Deepta Rangarajan, who retires by rotation		
3	To appoint Mr. Ashok Venkatramani as an Independent Director of the company		
4	To appoint Mr. Bhaswar Mukherjee as an Independent Director of the company		
5	To appoint Mr. Vinod Agarwala as an Independent Director of the company		
6	To re-appoint Mr. Swaminathan Subramaniam as Whole Time Director of the company		
7	To re-appoint Mr. Balachandran Krishnan as Whole Time Director of the company		
8	To re-appoint Ms. Deepta Rangarajan as Whole Time Director of the company		

Signed this _____ day of _____ 20_____

Member's Signature

Signature of 1st Proxy

Signature of 2nd Proxy

Affix Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the Meeting
2. Those Members who have multiple folios with different jointholders may use copies of this Attendance Slip/Proxy Form.

Corporate Information

Board of Directors

Narayan Seshadri
Chairman

Swaminathan Subramaniam
Wholtime Director & CEO

Balachandran Krishnan
Wholtime Director & CFO

Deepta Rangarajan
Wholtime Director

Bhaswar Mukherjee
Ashok Venkatramani
Vinod Agarwala

Company Secretary & Compliance Officer

Jay Mistry

Corporate Identity Number (CIN)

U72900MH2000PLC128943

Registered Office

IRIS Business Services Limited
T-231, Tower 2, 3rd Floor, International
Infotech Park,
Vashi Station, Vashi - 400 703,
Maharashtra, India.
Tel. : +91 22 6723 1000
Fax: +91 22 2781 4434
E-mail: cs@irisindia.net
Website: www.irisbusiness.com

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.
CIN: U67190MH1999PTC118368
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083
Tel: +91 22 49186000
Fax: +91 22 4918 6060
Email: Mumbai@linkintime.co.in
Website: www.linkintime.co.in

Statutory Auditors

M/s. M. P. Chitale & Co., Chartered Accountants
Firm Registration No. 101851W

Legal Advisors

Chitale Legal, Mumbai
VBA Legal, Mumbai
Valsangkar & Associates, Patent Attorney, Pune
John C. Olmstead, Attorney at Law, New York

Bankers

The Federal Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
State Bank of India



IRIS BUSINESS SERVICES LIMITED
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INTERNATIONAL INFOTECH PARK
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MAHARASHTRA, INDIA
WEBSITE: WWW.IRISBUSINESS.COM