



India's only listed SaaS company in the RegTech space

IRIS Business Services Limited
Annual Report 2020-21

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Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions should be known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



It has not been a good year for the world.

The pandemic rages on, and there is no clear end in sight. Many of my colleagues were affected by Covid 19, with one of them, Saptarshi Sengupta, succumbing to it. Saptarshi, or SAP, as we called him, was a fantastic colleague, with a constant smile on his face, which is etched in my memory for good. He has been with us for well over a decade. A Chartered Accountant, Saptarshi, joined the company when we were still a KPO, creating documents that public companies in the US would then file with the US SEC. Recognising just how good he was, we had given him an opportunity to work on the Federal Energy Regulatory Commission mandate, which required US energy companies to file in XBRL. And Sap rose to the task. I dedicate this annual report to my good friend Saptarshi.

Excerpt from the CEO's Letter

Before we start the annual report, we thought it would be good for you to read this first to understand what kind of business we are in...

There are around 32,000 companies in India already filing their annual returns in XBRL with the Registrar of Companies of the Indian government, spending on an average ₹10,000 annually to generate the filing.

This number is likely to increase to 1.2 million as the government expands the mandate.

The median spend per company could decline from ₹10,000 to ₹1,000 (our estimate) as more small companies are covered by the mandate.

The projected market size in India could be ₹120 cr for just one use of our product, IRIS Carbon.

We did a calculation of the projected global market size (based on 200 countries and ₹50 cr market size per country) for just this one use of the product.

We got a figure of ₹10,000 cr for just this one use of the product.

India's only listed SaaS company in the RegTech space

At IRIS Business Services Limited, we represent the coming together of two sweeping developments.

One, we believe that in a governance-driven world, Regulation Technology (RegTech) represents the future. This is marked by increasing compliances and digitalised reporting by companies to regulatory bodies.

Two, we believe that Software as a Service (SaaS) is gaining increasing importance for the benefits it offers users.

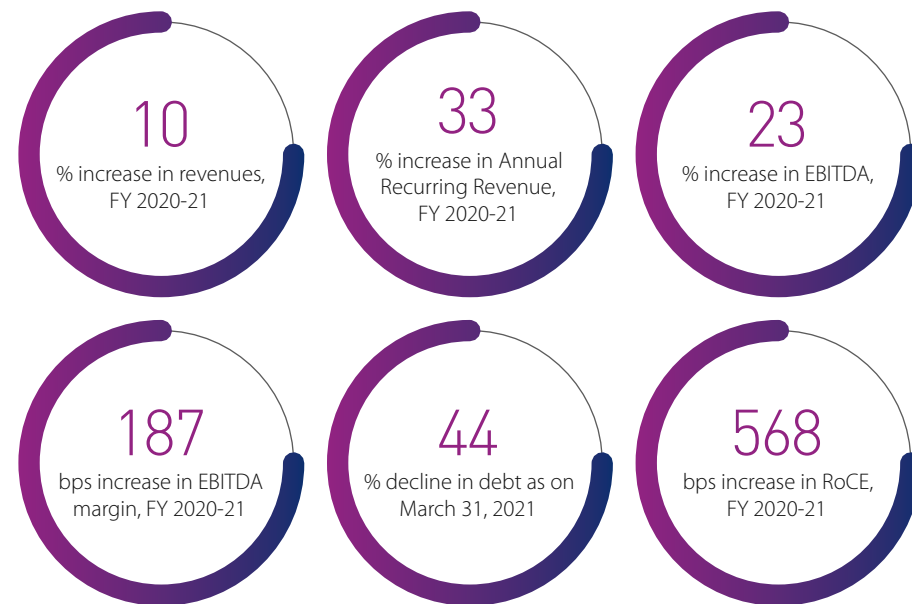
At IRIS, we see ourselves as unique: a rare instance of a company combining RegTech around a growing SaaS personality with the objective to enhance value for customers, employees and shareholders.

In a challenging year, this is how we invested in our business

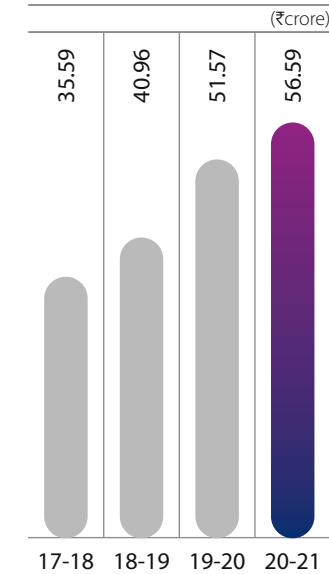
Inputs



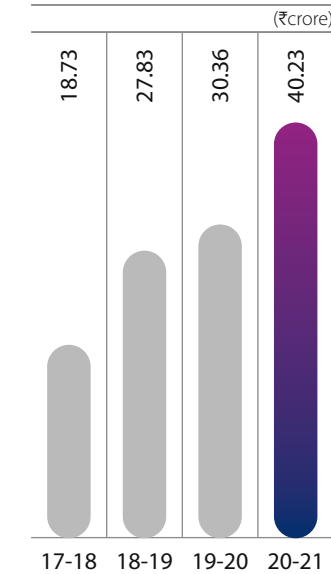
Outcomes



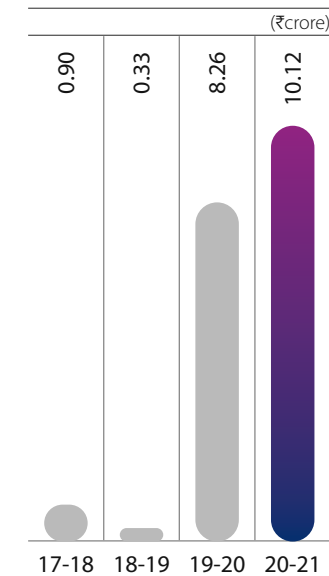
IRIS sustained its financial turnaround and growth



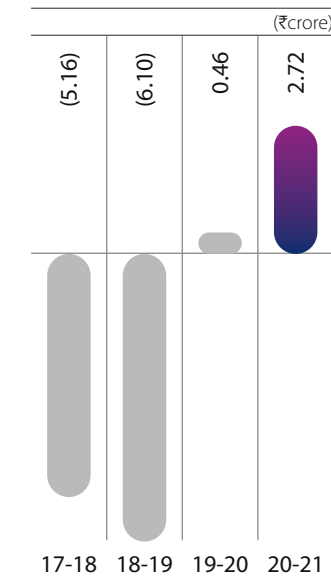
Revenues



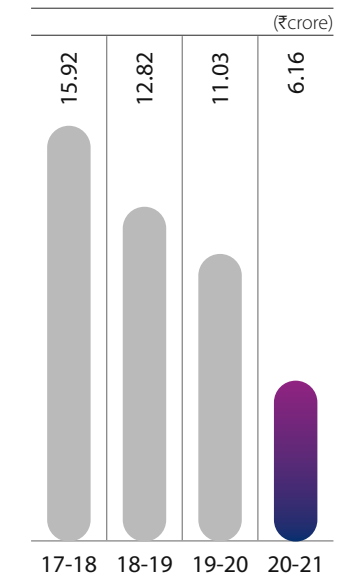
Annual recurring revenues



EBITDA



Profit after tax



Debt

IRIS Business Services Limited.
Positioned as an attractive SaaS
player in the RegTech space.

This space is likely to become
increasingly relevant.

This space will warrant deeper
attention on the part of government
agencies.

This space will increasingly assure
stakeholders of credibility and
governance.

IRIS has been a specialised solution
provider for years.

It is India's only listed SaaS proxy in
the RegTech niche.

Marked by growing Annual Recurring
Revenue and significant operating
headroom.

Background

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

Promoters

IRIS has been promoted by Mr Swaminathan Subramaniam, Mr Balachandran Krishnan and Ms Deepta Rangarajan. IRIS went into business to address the research needs and solve the data problems of institutional investors. The promoters cumulatively possess the experience of six decades and have been together since 1994.

Products and services

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

Collect

Software platform for regulators to collect pre-validated submissions from those that they regulate

Create

Offerings range from enterprise software to Cloud / SaaS to create documents ready to be filed with regulators

Consume

Software tools for data analysis. Additionally, a global repository of normalised financial data culled from filings, if available publicly

Presence

IRIS is headquartered in Mumbai, India. The Company operates its international business through subsidiaries in Italy, US and Singapore. The Company serves customers in 41 countries across four continents.

Positioning

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

Listing

The Company is listed on the SME segment of the Bombay Stock Exchange (Scrip code: 540735).

Order book

₹61 cr

March 31, 2021

Employee strength

400+

March 31, 2021

Market capitalisation

₹74.08 cr

March 31, 2021

Promoters' stake

38.69 %

March 31, 2021

Timeline

2005

Edgar Online contracts IRIS to convert historical filings of US companies into XBRL

2006

ICERS built on iFile for BSE

2007

CFDS built on iFile for BSE / NSE , SEBI replaces EDIFAR with CFDS

2013

- iFile live at Saudi Arabia's Tadawul Stock Exchange
- Carbon: Enterprise SaaS product development begins

2014

- iFile goes live in Singapore at ACRA.
- iDeal gets its 100th customer
- Work begins on DCP, Data Analytics Platform
- iFile goes live in Qatar

2015

- iFile goes live at MCI (Saudi Arabia), DBD (Thailand) and Bank of Mauritius. iFile SaaS model launched for CBRD, Mauritius
- iDeal wins first international client in AfrAsia Bank
- iDeal e-audit solution launched in Turkey

2008

RBI adopts iFile for Capital Adequacy Returns

2009

- Pilot iFile implementation for JSE, South Africa
- iFile in Macedonia in partnership with ERS of Ireland
- Won XBRL conversion mandate for US SEC filings

2010

- Taxonomy for XBRL, SA and JSE developed with Deloitte. Full iFile implementation for JSE.
- iFile in UAE for ESCA

2016

- FATCA reporting solution launched for BFSI segment
- Early customers for CARBON in US and Italy
- iFile implementation begins in Kuwait CMA
- iFile 3rd phase for RBI awarded to IRIS

2017

- Vice President of India inaugurates SAI Portal built by IRIS
- IRIS selected as GSP; launches GST solution
- iFile enters Malaysia and Jordan; reports another win in South Africa

2018

- IRIS Carbon enters South Africa to help enterprises meet the CIPC mandate
- The Central Bank of Jordan awards a collection platform project to IRIS
- iFile selected to as a Company reporting platform for Ministry of Commerce and Industry, Qatar

2011

- Deloitte awards iXBRL conversion contract for UK
- iDeal implemented in Canara Bank and several Mutual Funds

2012

iFile 2nd phase for RBI

2019

- IRIS is selected as part of a consortium for the RBI CIMS project
- IRIS awarded a contract to build a reporting and analytics platform for the Capital Market Authority, Oman
- IRIS Carbon enters the European market for the ESMA mandate, wins first customer

2020

- IRIS GST eInvoicing solution launched
- Based on the ESMA mandate, companies in Europe create and publish Inline XBRL annual reports using IRIS Carbon. Assurance tool for auditors introduced on IRIS Carbon platform

IRIS. Working with some of the most prestigious companies in India and across the world

Accounting firms

Deloitte	KPMG	PWC	E&Y	Grant Thornton
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IT firms

Crimson Logic Singapore	EOH South Africa	FAPCO Kuwait	Formis Malaysia	HCL Infosystems
HP	IBM	Intellect Design	MNS Mauritius	NVision Russia
SOVOS USA	Tech Mahindra	TCS		

Pride-enhancing clientele

BFSI regulators

Nepal Rastra Bank	Bank of Mauritius	QFCRA Qatar	Reserve Bank of India	Central Bank of Jordan
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Capital market regulators

Amman Stock Exchange	Bombay Stock Exchange	CMA Kuwait	ESCA UAE	SEBI	Tadawul Saudi Arabia	Qatar Stock Exchange
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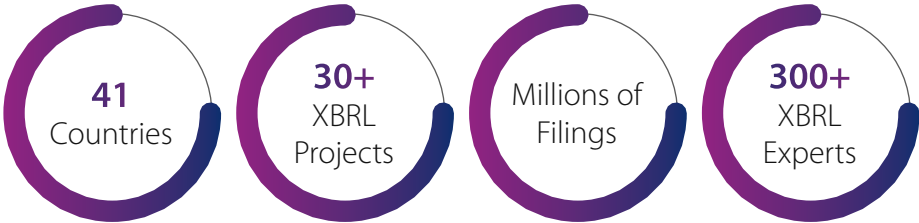
Business registries

ACRA Singapore	CBRD Mauritius	CIPC South Africa	MCI Qatar	MCI Saudi Arabia	SSM Malaysia
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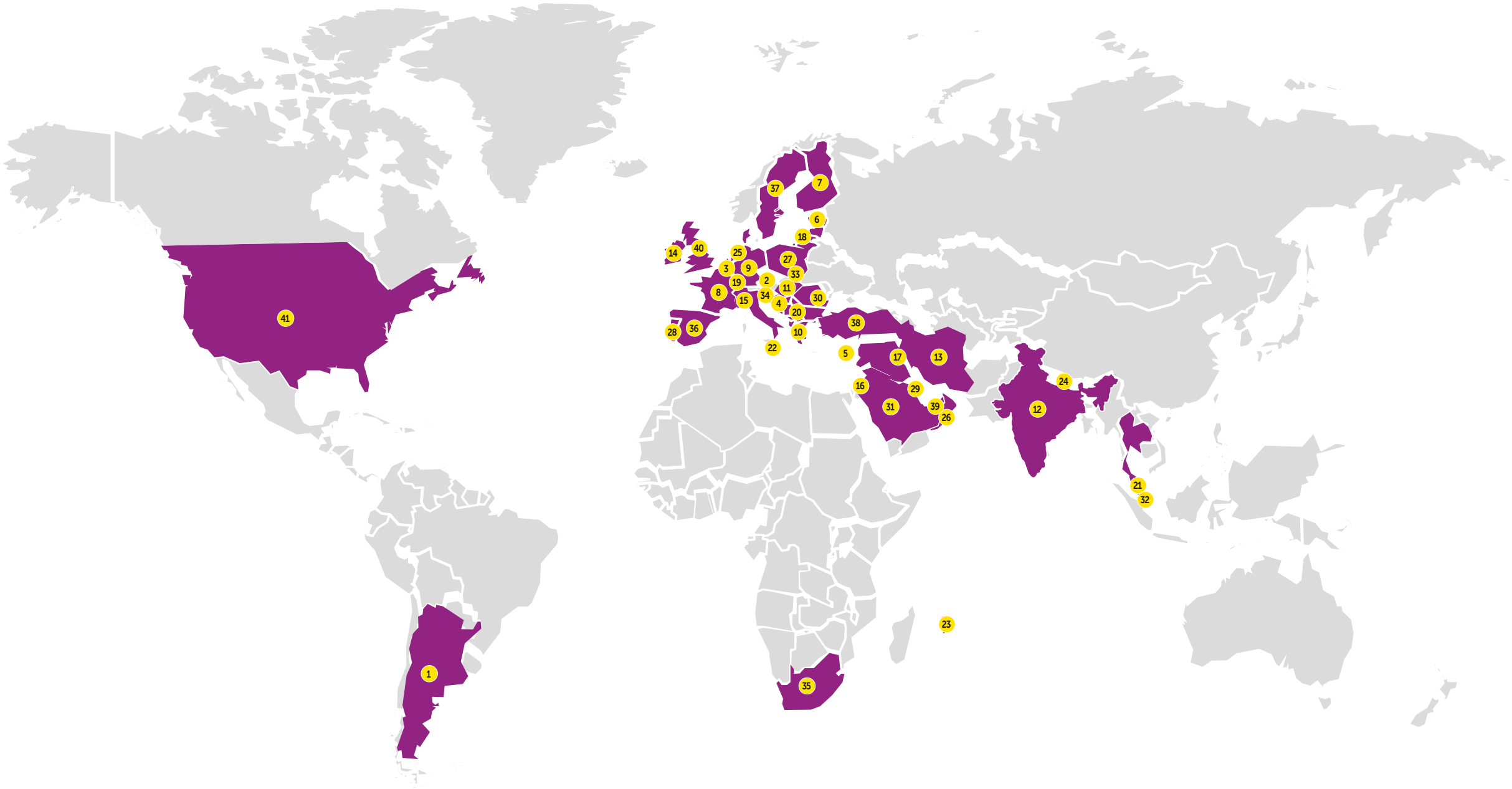
Enterprises

Bajaj Auto	Bajaj Finance	Bata	Bpost	British American Tobacco	Colryut Group
ENI	HDFC Bank	Hindustan Unilever	ICICI Bank	Kotak	Larsen & Toubro
Reliance Industries	Samsonite	State Bank of India	Schneider	Tata Motors	Thermax

Our clients are from all across the world



1	Argentina	22	Malta
2	Austria	23	Mauritius
3	Belgium	24	Nepal
4	Croatia	25	Netherlands
5	Cyprus	26	Oman
6	Estonia	27	Poland
7	Finland	28	Portugal
8	France	29	Qatar
9	Germany	30	Romania
10	Greece	31	Saudi Arabia
11	Hungary	32	Singapore
12	India	33	Slovakia
13	Iran	34	Slovenia
14	Ireland	35	South Africa
15	Italy	36	Spain
16	Jordan	37	Sweden
17	Kuwait	38	Turkey
18	Lithuania	39	UAE
19	Luxembourg	40	United Kingdom
20	Macedonia	41	United States
21	Malaysia		



CEO's Letter



An overview
of where we
stand and
where we
expect to go

It has not been a good year for the world.

The pandemic rages on, and there is no clear end in sight. Many of my colleagues were affected by Covid 19, with one of them, Saptarshi Sengupta, succumbing to it. Saptarshi, or SAP, as we called him, was a fantastic colleague, with a constant smile on his face, which is etched in my memory for good. He has been with us for well over a decade. A Chartered Accountant, Saptarshi, joined the company when we were still a KPO, creating documents that public companies in the US would then file with the US SEC. Recognising just how good he was, we had given him an opportunity to work on the Federal Energy Regulatory Commission mandate, which required US energy companies to file in XBRL. And Sap rose to the task. I dedicate this annual report to my good friend Saptarshi.

Given the situation around us, it feels uncomfortable and even perverse to write about how we are well poised to grow.

It is impossible to be not mindful of the suffering around us. But as a colleague said, life must go on. You will be relieved to know that almost everyone at IRIS and their families have taken the vaccine at a camp conducted in the office. We have also ensured vaccination for people who touch our lives daily, the vendors, the contract staff, and others, including professional services providers. After all, nobody is safe until everybody is safe.

We are excited about migration to the mainboard

Not long from now, we should be migrating to the mainboard from the SME platform, subject to exchange approval. There are two ways migration will change our life. On the SME board, the market lot was 4,000 shares, which will now be just one share. This will attract a whole new class of investors into the company. The second big change will be the need to report results quarterly, whereas, on the SME board, the results were reported half-yearly. There is a certain amount of seasonality to our revenues. In fact, an overwhelmingly greater share of our revenues comes in the second half of the financial year, as one can see from the numbers for the year gone by. We need to impress upon our investors that to interpret the signals every quarter may not be the most appropriate way to analyse the company.

Good governance is in our DNA

Having embraced best governance practices before we listed and even exceeded the prescribed norms, I anticipate no challenges for us on the corporate governance front as we migrate to the mainboard . Our seven-member Board of Directors has four Independent Directors, one of whom chairs the Board. The three founders make up the rest of the Board. Two of India's finest audit firms are associated with IRIS, one as a statutory auditor and the other as an internal auditor. The Founders of the company see our role as trusteeship, which

guides us in everything we do and how we do it. Nothing speaks louder about our governance practices than how we became the fastest company to IPO in India, a record that will probably never be matched, leave alone be bettered.

The pandemic has slowed the growth of our business

IRIS is a global RegTech providing software solutions for compliance. While the pandemic has certainly slowed us down, our focus on building an annuity-led business has helped us not just stay profitable but also improve our financial metrics. In the year that has gone by, our strategy to move to increase our recurring revenues has paid off, as evidenced by the fact that recurring revenues reached a healthy 71% of the total revenues booked by the company during the year.

The impact of the pandemic was different in each of the three segments we operate in.

Collect: This segment was the worst affected by the pandemic and has shrunk. Our electronic disclosure platform iFile helps regulators collect pre-validated data from those they regulate. Of late, some analysts have started referring to this business as Suptech. It used to be that every year; a few regulators announced plans to adopt an electronic disclosure platform built around XBRL. Over the last two years, that has not happened, and we don't see that happening over the next 12 months. Governments simply don't have the resources to go down this path. It is an RFP-driven business and when RFPs dry up, so do new wins.

However, we still have a steady stream of revenues from existing clients who pay us fees towards AMCs. Hence, it is not a total washout. The good news, though, is that once the pandemic ends, most countries are expected to rush to adopt XBRL, and that is an opportunity we are confident of tapping into.

Create: While this segment more than made up for the loss of revenues in the

Collect segment, we could have done much better, but for the pandemic. Through this segment, we provide Software to enterprises to help them create their submissions ready to file with the regulator. Most of the products of this segment are SaaS offerings.

The impact of the pandemic has come from two quarters. Firstly, the pandemic has caused a delay in the rollout of XBRL mandate by various countries in Europe. Several countries announced a postponement by a year, reducing the size of the opportunity available to us. Secondly, the pandemic did not let us go out to meet customers. Our experience is that while we are successful in converting customers who we can meet, the pandemic has forced us to try and engage digitally and over the phone. That has not been easy. Even so, we are satisfied with what we have achieved under the circumstances.

Consume: This is our data and analytics segment. With the pandemic in play, we chose not to make any major investment in this segment for now. Now that we have turned profitable and hope to stay that way, we will work to monetise the assets that this division houses.

As my colleague says, the present is tense, but the future looks good, even if not entirely perfect.

The post-pandemic world will favour us.

The most important fallout of the pandemic is that the pace of digitisation has increased around the world. This augurs well for IRIS, as you can imagine. I want to offer two examples of how the world has changed in ways that we may not have expected.

In India, GST adoption has forced every business in India to go digital. If initially, they did so because they were forced to do so, they are now waking up to the benefits of going digital. The opportunities that stem from this are enormous. By the virtue of being a GST Suvidha provider, IRIS is well-positioned to benefit from this.

The second example I wish to cite is from our experience in Malaysia. From living in a world of paper filings, the country has effortlessly moved to digital filings with an ease that many countries in the world can learn from. The argument that relatively less developed countries will find it a huge challenge to go digital stands demolished.

Compliance is going digital

As the world goes digital, inevitably, all compliance will also go digital. More departments in more countries will need solutions, a demand that IRIS is well-positioned to serve. While we have a handful of competitors who can compete with us on the Collect segment and several on the Create segment, practically none can provide solutions that straddle the entire information supply chain: from Collect to Create and to Consume. Therein lies our competitive edge.

We need to invest heavily in sales and marketing

While being an Indian company with an Indian cost structure also helps greatly, the challenge before us is to be a strong marketing company. Many of our global competitors are well-funded and have a huge war chest to battle it out in a competitive marketplace. It has been our experience that most Indian investors do not understand the importance of investing in marketing and sales and look askance at initiatives focused on gaining market share. This kind of approach will mean a tradeoff of the present for the future.

We face a similar choice before us. Our products are in place, and we need to mount aggressive campaigns to grow. We need to do this in the USA, in Europe, and elsewhere. We need to grow our recurring revenues.

Eight years ago, we saw the writing on the wall that led us to pivot away from knowledge process outsourcing, or KPO, to software products. Today, our focus is even sharper. Even as we continue to grow our business around compliance, we recognise

that delivering Software as a Service, or SaaS, is the way to go. We will continue to have software products sold in the conventional mode as on-prem solutions. We will also have a small services revenue stream from the company's KPO side, but the company's overwhelming revenue driver will be SaaS.

The time for SaaS has arrived

Earlier this week, global consulting major Mckinsey released a report on the outlook for the Indian SaaS players. They expect the Indian SaaS companies to hit a trillion dollars in value by 2030. As India's only listed RegTech SaaS, this should give investors in IRIS great comfort. We are in the right place at the right time. The question you may have is whether we can execute. As managers of your company, in our capacity as your trustees, our responsibility is to keep your company relevant in these rapidly changing times and deliver growth while sticking to the core proposition that defines our business. Staying relevant is our mantra. Fifteen years ago, we embarked on our XBRL journey. Today, we stand vindicated, with 70 countries accounting for over 96% of the world's GDP having adopted XBRL. Ten years ago, we pivoted from KPO to products and sacrificed services revenues to focus on products. Today, we are still in the same RegTech solutions space. We have demonstrated our ability to spot trends early and stay relevant by moving to SaaS. We continue to have a resource constraint that will affect just how fast we can grow, but sustainable growth for us is a way of life.

Before I conclude, I have a request. This year, like in the year preceding, we will have a virtual AGM. I would be grateful if each one of you finds it convenient to participate. That would mean a lot to us.

I thank you for giving this a patient read. Please do not hesitate to contact me or any of my colleagues if you have any suggestions to offer or questions to ask.

Swaminathan Subramaniam
Chief Executive Officer



“During the last financial year, our ARR improved 32.5% to ₹40 cr, marked by a SaaS client retention of around 90-95%. This was the highlight of our FY 2020-21 performance”

K. Balachandran

Co-founder and Chief Financial Officer, reviews the performance of the company in FY 2020-21

Was the management pleased with the performance of the company in FY 2020-21?

I would not say that we were fully satisfied with the performance of the company during the year under review. The pandemic affected our performance. Since most of our clients were regulators and government agencies, whose attention was diverted by active pandemic management,

there was a corresponding decline in new or incremental orders. I had expected that our topline would grow 20% but we eventually grew by about 10%, so to this extent the performance was disappointing.

What was the upside related to the company's performance?

What was remarkable was the manner in which the business rebooted and rebounded during the second half of the financial year. During the first half of the year, revenue growth was rather tepid compared to the corresponding period of the previous year; however in the second half, revenue growth strengthened by around 15.5% compared to the corresponding period of FY 2019-20. Overall, IRIS was able to clock revenue growth

a tad below 10% in a difficult year. Going forward, we expect things to improve as far as the business environment is concerned.

In the first half of the year, as the pandemic unfolded, our receivables were delayed, as a result of which the company took a moratorium on the term loan repayment for a couple of instalments. Costs and overheads were brought under control, but marketing spends

were prudently increased. Having protected its liquidity, the company remained EBITDA-positive, even though its bottom line was negative during the first half.

In the second half, the company's receivables cycle improved, cash

flows strengthened and margins moved up. The company did well to not just post a positive bottom line for the second half but this performance was strong enough for the company to post a positive bottom line for the full year. Besides, the company maintained its EBITDA margin

at around 17.88%, compared to 16.01% in the previous year. The result is that the company presented a positive bottom line for the second year running, indicating that its turnaround in FY 2019-20 was built on a sustainable foundation.

What was the most remarkable aspect about the recovery in the second half?

The most remarkable development was a growth in our Create business where we addressed the increasing needs of companies to make electronic filings to regulatory authorities. This business got a boost with listed European companies being asked to start filing, mostly on a voluntary basis, using iXBRL

before this is made compulsory next year. The Create business also capitalised on e-invoicing introduced in India from the second half of the last financial year. The result is that within the Create business segment, all business lines performed creditably: the Carbon component grew 66%, the GST

business grew 52% and the iDEAL business grew 28%. One can unhesitatingly state that the traction from the Create business could transform its personality across the coming years.

What were the various things that worked for the company?

The company transformed its various handicaps into advantages. For instance, there was the perception that the company would need to spend a larger amount in marketing its Create services abroad. During the last financial year, when the Indian market was locked down and flights to and from India were discontinued, the

company turned to market its offerings digitally and enter into sales partnerships. The traction that the company reported in the second half was a result of prudent marketing spending.

Besides, the company started generating revenues from Europe, enhancing its sales visibility on the continent, which also resulted in a favourable

word-of-mouth reference. It will not be long before the Inline XBRL filing of annual reports for listed European companies becomes mandatory.

The GST filings business, which was launched three years ago, turned profitable during the year following the introduction of e-invoicing.

What are the various reasons of optimism for the business?

Primarily, we see periodic compliance reporting to be an essential part of the governance process. We are beginning to see a growing trend of segments turning to the iXBRL format of reporting to regulatory agencies.

We perceive ESG reporting to be the next 'wave' where large companies will need to report their initiatives in moderating carbon footprint, among other things. The basis of ESG reporting will be standardised

and digitalised; we believe that Inline XBRL will be the preferred reporting format, widening our addressable market in the USA and Europe. Moreover, ESG reporting will be mandated not just for public companies but private companies too, making it a much bigger opportunity.

European companies too will move from the voluntary use of inline XBRL reporting to mandatory filing from next year.

In the US, energy companies need to start reporting their performance in iXBRL to the Federal Energy Regulatory Commission, a mandate that is expected to expand to a full blown one by 2022, widening our market.

We believe that regulators will come back to modernise their digital platforms on which they receive filings by companies. This will strengthen traction for our Collect business.

What is that one feature you would like shareholders to observe about the company's competitiveness?

The critical number for our shareholders to notice is the Annual Recurring Revenues (ARR). This represents annuity-like revenues primarily from our SaaS business (Create) and Collect businesses. During the

last financial year, ARR improved 32.5% to ₹40.23 cr. A growing ARR will increase revenue visibility and translate into superior profitability.

What is the outlook for the company during the current financial year?

The disproportionate growth of our Create business should translate into higher ARR, lower receivables, and stronger cash flows. We also expect to see

a stronger Balance Sheet and lower cost of debt. But we still have the pandemic to cope with because that can scupper our plans, as it did last year.

How does the company foresee the growth in the business?

The company is focused on generating a compounded average growth of 20-25% in revenues without compromising margins and without additional capital infusion. We believe that an increase in revenues should have a disproportionately positive impact on our margins.

Our pioneering position with respect to XBRL reporting

should stand us in good stead in capturing business from marquee customers, serving as an excellent reference in new markets.

A growth in ARR will only validate the improved quality of our business. We expect to moderate the proportion of revenues from our top ten customers, while continuing to

generate a substantial portion of our revenues from outside India, protecting our positioning as a global solutions provider. We also believe that by graduating to the main board of the Stock exchanges in 2021-22, we could enhance trading liquidity that enhances value for our shareholders.

Snapshot of how our business segments performed



Revenues declined 18% following a contraction in our markets in FY 2020-21; the proportion of this business declined from 57% to 43% of our overall revenues.



Revenues from this segment saved the day for the company, increasing 58% and rising from 37% to 52% of our overall revenues as enterprises needed to make increased regulatory filings.



Revenues from this business declined, while within the overall corporate revenue pie, they declined from 6% to 5% in FY 2020-21.

Foundation

At IRIS, our business is anchored in governance with the objective to help customers take their governance ahead

Overview

At IRIS, we may be engaged in the development of software products and services; however, we are principally engaged in the business of trust.

Our products and services enter deep inside the domains of our customers. An assurance of being in the safest hands is why regulators pick us to work with, why employees trust their young careers to us, why investors provide us risk capital, why financial partners provide debt and why communities support us.

On the overall, our holistic commitment to governance makes us a credible solutions provider across the world.

Focus: At IRIS, we have selected to specialise in a space where compliance is becoming the foundation of organizational continuity and governance. We focus on increasing the compliance effectiveness and convenience of our clients while moderating their compliance costs.

Clarity: Increasingly, we deliver Software as a Service (SaaS), where the competence of our product offering enables client retention, regular cash inflows and increasingly predictable revenue visibility. This is how we have evolved: from KPO to on-prem products to SaaS.

Austerity: At IRIS, we live a culture of financial austerity. This is evident in the numbers where our growth in fixed expenses required to run the business have been relatively low, where we have grown our revenues without sizable equity infusion and where the cost of customer acquisition is below the industry average.

Pride: At IRIS, we resolved that when stakeholders referred to us, they would do so with respect; that when one asked about what kind of company we were, the principal recall would be 'If IRIS is addressing what we need, it will generate a solution that will exceed our expectations.'

Ethics: At IRIS, we may be small by the conventional measures of revenue and profit but are generally referred to as a company with its 'heart in the right place.' We will not engage in anything that could be remotely suspect and running against established norms. Over the years, this has manifested in various ways: our gender respect, intolerance with ethical misconduct, openness to recruit, respect for the dignity of whoever we work with and the integrity of the environment.

Purpose: At IRIS, the work we do is important for the world: we classify sizable data under respective heads that makes it possible for patterns to be deduced. In a world where more decisions are likely to be taken on the basis of measured evidence, the relevance of a company like ours can only increase.

Board of Directors: At IRIS, we believe that the success of our strategic direction is largely influenced by our Board of Directors. We have placed a premium on our Board composition, comprising achievers of standing. These individuals have enriched our values, bandwidth, business understanding and strategic direction. Independent Directors make up the majority on the Board, they speak their mind and help shape the company's future.

Stakeholder value: At IRIS, we exist for the benefit of all our stakeholders: the customer must experience a more convenient and cost-effective way of doing things; the employee must derive a sense of ownership and purpose; the investor must generate a superior return on invested capital; the community must benefit from our presence; the government must benefit through taxes and livelihood creation; our vendors must benefit through the outsourcing of products and services.

Audit and compliance-driven: At IRIS, we strengthened an audit-driven and compliance-driven approach, enhancing the credibility of our reported numbers.

Long-term: At IRIS, if there is one reason why we have survived, adapted and modestly succeeded, it is because we have brought to our business a long-term focus that extends well beyond the need to seek short-term opportunistic arbitrage.

This is how we have grown our company and this is how we expect to conduct business going ahead.

Why we are optimistic of our large addressable market

The moat we have built at IRIS

Unification

To be compliant when there are so many regulators, each working in their own way, can be a challenge. The world needs a unified platform for convenience, cross-access of information and the elimination of keying the same information multiple times.

Data-driven

To cope with the data deluge, data standards are important. Data submitted by regulated entities have to be in an easy to consume format that permits effective regulatory oversight. The opportunity to serve regulators and the regulated alike will not only not go away in a hurry, but is also constantly expanding.

Cost advantage

We believe that companies facing up to a multiplicity of compliance mandates will seek to moderate their cost of compliance (by adopting automation and cloud technology), which a company like IRIS makes possible.

Report-format agnostic

The world is moving towards solutions that can accommodate changes in technology and new reporting formats. There is a move away from a document-centric compliance framework to a data-centric framework. IRIS is well placed to serve the new world.

Pandemic relevance

In a world marked by social distancing, there is a need for remote solutions, empowering workforce and regulators to address responsibilities without compromising safety.

Specialisation

Focus on RegTech through SaaS offerings.

Commitment

Focus on growing the business with the intention of making a difference

Conservative

- Run an unconventional business with conventional rules of cost austerity, cross-segment support and remaining viable across market cycles
- Will not expend money to 'buy' customers

Strategic

Focus on finding creative ways to enhance visibility and grow market share

SaaS focus

- Low upfront cost for the customer
- Products priced as pay-per-use
- Product development costs largely one-time
- Disproportionate increase in profitability for sales beyond a threshold
- High customer 'stickiness'
- Possibility of creating a multi-year cash-rich business

How the moat helped turn our company around

Shift to products from services

Revenues from products increased to 94% in FY 2020-21

Entered adjacent product spaces

IRIS extended into adjacent product spaces (relevant tools etc.) based on needs of customers, leading to rising annuity revenues from ₹12.96 cr in FY 2016-17 to ₹40.23 cr in FY 2020-21.

People retention

IRIS attracted innovation-driven software engineers focused on product creation as opposed to engineers with a software services mindset. Product 'ownership' translated into people retention, a competitive advantage in a niche space.

Revenue growth

IRIS created a product-led model against a conventional project-based approach, which ensured faster implementation and revenue booking. The Company's revenues reported 17.2% CAGR in three years ending FY 2020-21.

Repaid debt

From the time of the IPO, the Company has repaid ₹13.30 cr of debt which helped strengthen the Company's debt-equity ratio from 0.53x in FY 2017-18 to 0.22x in FY 2020-21. It helped the Company in reducing interest outlay (interest cover strengthened from 0.45x in FY 2017-18 to 5.98x in FY 2020-21). During FY 2020-21, the Company repaid ₹5.17 cr of long-term loans.

Cost management

The Company focused on cost optimisation, while revenues increased through increased people productivity and better sales throughput

...and how we intend to strengthen shareholder value going ahead

Revenue growth

The repeat business opportunity is high in Create. IRIS possesses strong potential, being one of a handful of companies with a collaborative cloud-based platform for XBRL report creation. IRIS is attractively placed on account of compelling price points, credibility with regulatory agencies and quality-assisted services.

Invest in marketing

IRIS will invest additionally in sales and marketing to grow its geographic footprint and deepen presence in them, evolving into a marketing-driven company.

Increase ARR

IRIS will focus on increasing the annual recurring revenue (ARR), resulting in annuity-like income and revenue visibility.

Optimise working capital

The Collect business of IRIS is dependent on regulators who, as customers, generally pay across long cycles. The Company is strengthening its Create business, marked by quicker receivables.

Broadbase

IRIS is a geographically diversified company with revenues derived from a number of companies, reducing geographical concentration. Even a small but scalable presence in geographies could help seed the company's presence in that country and grow it sustainably thereafter

Sectorial overview

Why RegTech is a sunrise sector in a rapidly evolving world

The growing role of RegTech in today's governance-driven world

Global RegTech market overview



Overview

The Regulation Technology (RegTech) space is being referred to as a sunrise segment of the fintech/financial innovation sector.

There is a reason for this. The increased relevance of this segment is being driven by a convergence of structural shifts: regulatory compliance in an inter-connected world where transgressions have been known to trigger Black Swans; the digitalisation (Cloud) of a post-Covid world is serving as an effective RegTech facilitator and game-changer.

Even as there was always a need for better reporting, the awareness that a transgression in one country could have a global domino effect has introduced a sense of urgency in better reporting. Even as a number of disparate technologies existed, a greater seamlessness makes the interplay of futuristic technologies effective and far-reaching.

The global RegTech sector is also catalysed by rising fraudulent incidents in the financial sector, which demands greater attention to risk and compliance management but with an eye on costs.

RegTech solutions can help businesses navigate the minefield of compliance by relying on Software-as-a-Service (SaaS) offerings and use the technologies that accelerate routine activities and eliminate manual errors. This has helped financial institutions manage according to the changing regulatory environment and minimise risks stemming from non-compliance. Further, the application of analytics in financial institutions can help make informed decisions on regulatory grounds, adding to segmental growth.

Playing catch-up

Financial services the world over are in the unenviable position of playing (an almost perpetual) catch-up in being required to comply with FRTB, Dodd-Frank, MiFID II,

AMLD V, FATCA, CRS and more without having the tools to cope. This throws up opportunities for the RegTech industry to provide tools to industry players to be on top of their compliance while focusing on managing their business without falling foul of the regulator.

RegTech SaaS & Compliance complexity

The International Federation of Accountants estimated that the industry's annual cost of 'regulatory divergence' (i.e. inconsistencies in regulation between different jurisdictions) is around USD 780 billion. It is a widely held view that the business of compliance has created its own industry that adds no value but adds excessive cost for industries it was set up to support. On the other hand, regulators can ill afford to let the marketplace turn disorderly in a manner that challenges the integrity of financial systems. The advent of RegTech SaaS offerings holds out the promise of keeping compliance costs

under check without compromising system integrity. SaaS companies are well placed to disrupt the market with their business models.

Increase in number

Regulatory creep is a reality. There are few instances one can cite where regulators have not demanded more information and followed up with a demand for even more and understandably so, in a fast changing world driven by innovation. The latest set of reporting requirements that have entered the mainstream are those relating to environmental impact. In country after country, they are gearing up for ESG reporting.

RegTech trends

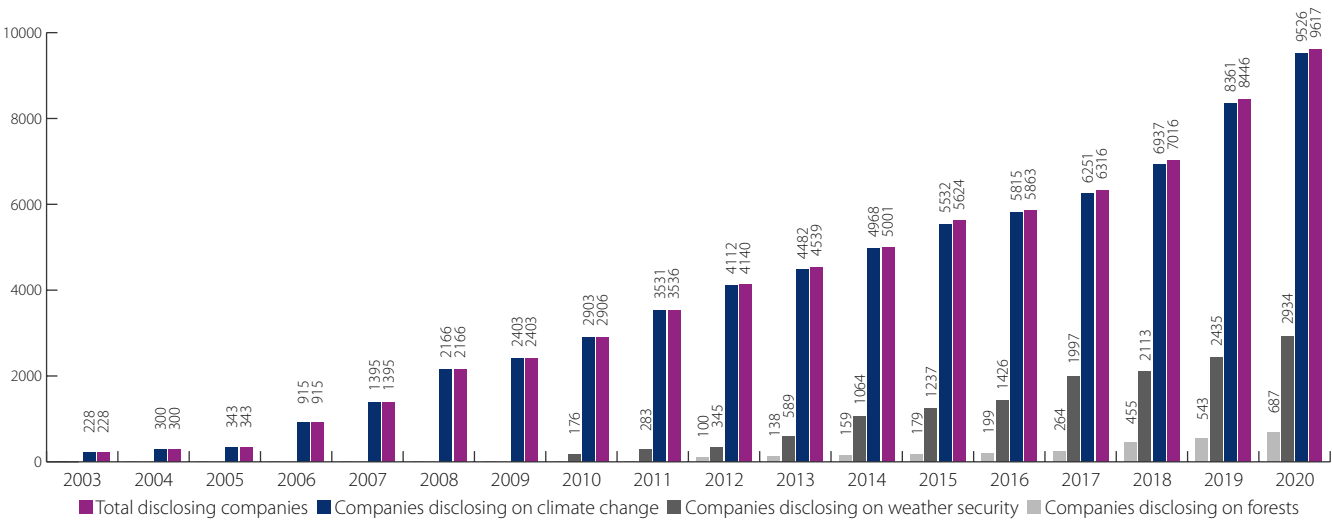
Granularity, near-to-real-time reporting and Triple Entry Accounting: For long, institutions reported data in templates, providing data, sorted and aggregated, delivered as per a required periodicity. There is now a trend towards granular

data sets, which must be reported on schedule and validated and which provides supervisory authorities with comprehensive data that can be examined across characteristics. The granular information from two counter-parties must be directly complementary, known as triple-entry accounting, which is rapidly becoming the focus of supervisory bodies. An example of this is the exercise of looking at related party transactions and how each of the related parties may have reported a certain element.

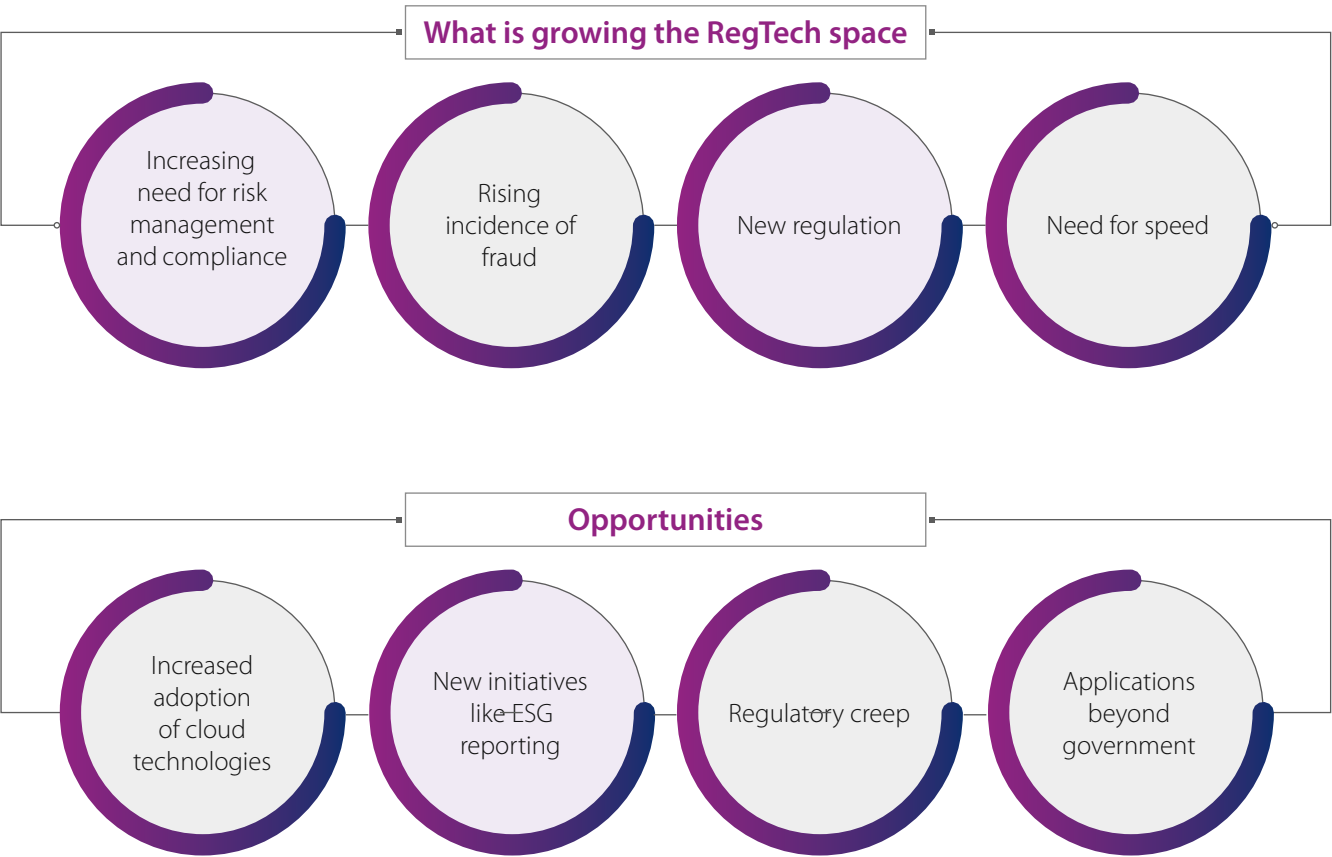
Standardization of data is now important: The adoption of standards to generate data structured at source is now catching on. In the emerging world, data definition is finally getting the attention it has until now been crying out for. This places demands on the regulated entity while making the regulator gain from enhanced efficiencies.

Global growth in ESG disclosing companies since 2003

Growth in ESG disclosing companies since 2003



(Source: CDP)



The future

Adam biting into the apple may well be one of the earliest instances of regulatory non-compliance. When Sita crossed the Lakhman Rekha in the much told story from Ramayana, it could well be seen through a similar prism of regulatory non-compliance.

The world has come a long way since then, throwing up opportunities that makes the RegTech space exciting and here to stay for all time to come. While the BFSI segment is perhaps the most promising because of the nature of the business, the compliance demands on the rest are no less attractive.

There is increasing willingness to accept cloud-based platforms as opposed to on-premise technology. A number of financial firms that opted for on-premise solutions on the basis of security concerns and data sensitivity are now beginning to recognise that Cloud is not just here to stay but its adoption by them is perhaps the only way to staying compliant while keeping costs under control. .

As Regulation expands, the RegTech landscape too is expanding. Today, technology is central to all areas of banking and financial services from KYC (Know Your Customer) compliance needs to transaction Monitoring, Customer Credit Scoring, AML screening, trade data tracking, fraud prevention and compliance risk analysis, among others. RegTech is central to wealth management too, which is a growing area as more aspects of a customer’s interaction with a financial institution goes digital.

IRIS is central to RegTech data, from the way it is generated (the Create segment of our business) to the way it is received (the Collect segment) and finally the way it is analysed (the Consume segment), the adjacent opportunities are many, from advanced analytics, robotic process automation, cognitive computing and cloud to enhance the effectiveness and efficiency of regulatory and compliance aspirations, not to mention blockchain, which has become front and centre in recent times with its own promises.

The promise of keeping the costs of compliance manageable is helping widen the RegTech market faster and addresses an important source of concern of regulators, who are frequently in the line of fire for taking actions that increase regulatory burden and costs. Besides, RegTech enhances process simplicity and moderates execution time, strengthening competitiveness.

Once established, providers of RegTech SaaS can create an entry barrier for others. With regulatory creep comes opportunities to add additional compliance solutions at low incremental costs, with returns that are disproportionately attractive.

Compliance will no longer be episodic. Once regulated entities adopt RegTech solutions, they can leverage the platform for internal compliance too, helping banking and financial institutions prevent money laundering and restrict terrorist funding through data analytics, risk management, reporting and fraud detection.

Users can also detect enterprise risk before it shows up on the radar of regulators (early warning system), strengthen service, protect customers and enhance trust. Investments in RegTech are but a fraction of the fines and penalties paid by banks for non-compliance with regulations, putting a premium on cover up, not compliance.

With the use of data standards like XBRL in RegTech, the scope for divergence between intention and interpretation is reduced. Equally, regulatory oversight becomes highly effective, permitting speedy remedial action to preserve systemic integrity instead of the delays that all too often mark regulatory intervention.

The increasing need for transparency on the one hand to safeguard customers, with a need to move to a non-discretionary, data-led consistent implementation of regulatory oversight, on the other hand, is catalysing the global RegTech market.

The scalability of RegTech solutions is key to their attractiveness. By bringing process in, it enhances reliability while reducing customer inconvenience and compliance failure risks.

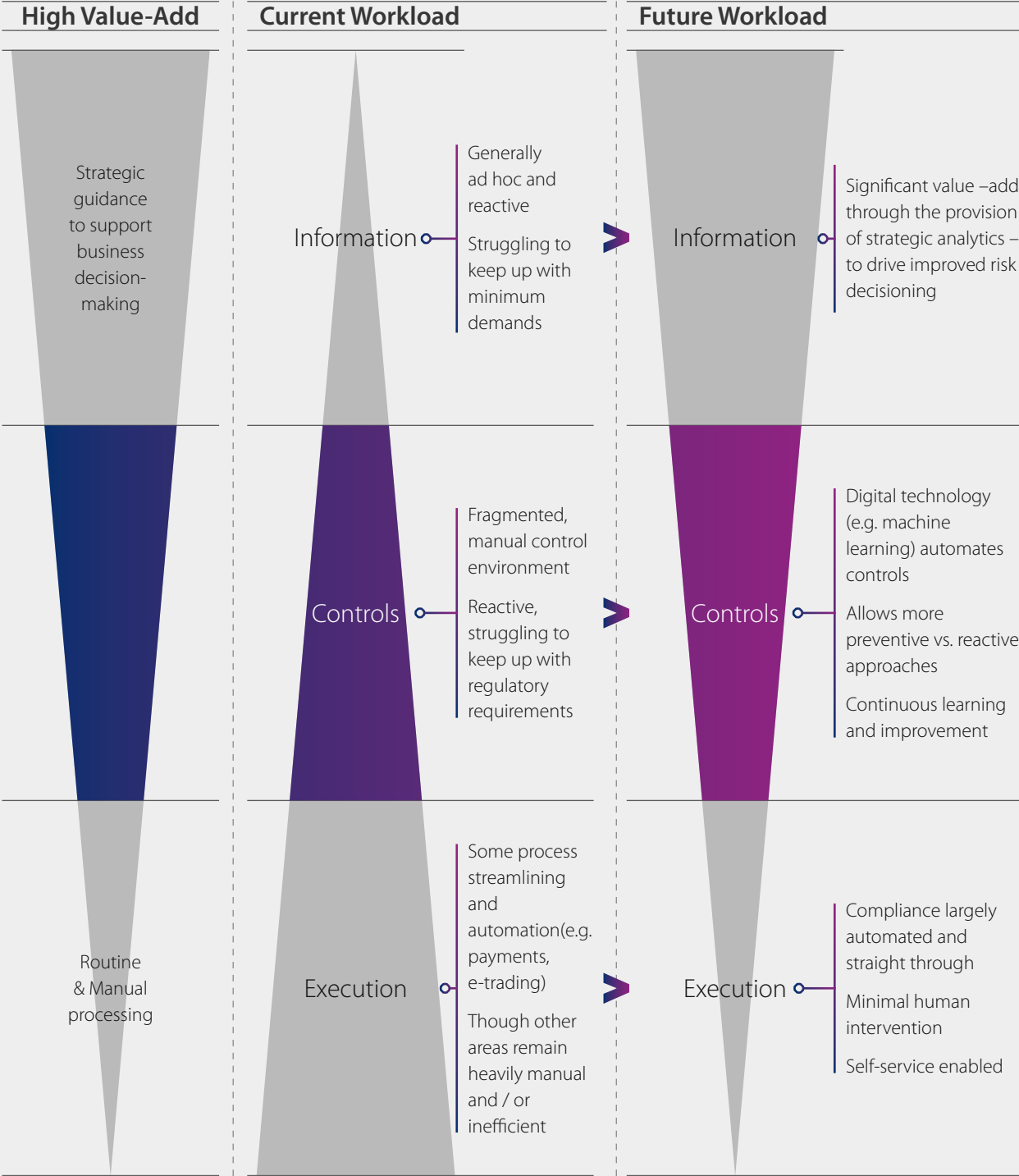


How companies intend to embrace RegTech and how this could drive growth of the sector



(Source: Grandviewresearch)

How Reg Tech will change the compliance workload



SaaS. The future of software

Introduction

The emergence of SaaS is not just a fleeting development in the world of software technology.

It represents the sunrise of a new age.

Of software solution democratization for customers.

Of a wider platform for solution thinkers and providers.

Of the possible deepening of India's position in the global software industry, consulting major McKinsey declared that India could be on the cusp of unlocking a USD 1 trillion opportunity for SaaS companies while grabbing a 4-6% share of the global SaaS market.

Unlike most Indian SaaS firms who are serving the demands of the global software industry, IRIS is serving the RegTech space.

Overview

SaaS represents the coming together of an evolved business model (subscription revenue) coupled with a superior product (continuous improvement).

SaaS is seen as a future expected to prevail. As McKinsey says in its report, SaaS offerings today account for 35% of the overall software pie but are poised to carve away a much larger slice over the next decade.

This annual report is dedicated to the sunrise SaaS story and how investors can take informed decisions.

SaaS: A compelling story

There are a number of reasons why the SaaS story is compelling from an investor's point of view.

In the SaaS model, every line of addition code makes the product

better and generates a higher realisation, while protecting customer retention.

The SaaS model reconciles declining marginal cost and limitless scalability, promising outsized investor returns.

The SaaS difference

Software as a service (or SaaS) delivers applications across the Internet as a service.

This obviates the need to install or maintain complex software and hardware.

The provider manages access to the application, including security, availability, and performance.

This represents a substantial difference that opens exciting possibilities in the country's software sector.

Facilitators

Universal: SaaS vendors deliver applications over the internet; users can access them from any internet-enabled device and location in the world, facilitating remote working from anywhere. This also opens up a global marketplace

Updates: Customers rely on a SaaS provider to automatically perform updates and patch management, which reduces IT staff and costs. From a RegTech point of view, regulated entities can depend on the provider of the SaaS platform to keep them up to date with new demands on compliance. The effortless compliance by the clients of IRIS, when it came to GST, is a case in point.

Scalability: SaaS offers scalability, which gives customers the option to access more or fewer services or

features on demand. The way we see it, every new compliance requirement, with the same regulator or a new one, whether in the same country or another, is just a new form type that we need to add to the product.

Enhanced flexibility: Customers do not need to buy software to install it around additional hardware; they merely need to subscribe to a SaaS offering, with predictable budgeting and the flexibility to discontinue anytime.

Pricing: Since the software is being rented, it works out cheaper for the user who would have to pay more to buy it.

Characteristics

Consumer web harnessing: The SaaS model customises point-and-click ease, making the extended period to update

traditional business software legacy redundant.

SaaS trends: SaaS integration platforms are integrated to build additional SaaS applications, often referred to as the 'third wave' in software adoption where it extends beyond standalone software functionality to become a mission-critical applications platform.

Access: There is improved data access from any networked device concurrent to the management of privileges, data use monitoring and ensuring everyone sees the same information at the same time.

Multi-tenant architecture: Since SaaS clients are all on the same infrastructure and code base, vendors save valuable development time that would otherwise have been spent on maintaining various versions of outdated code, accelerating innovation.

Frequently asked questions

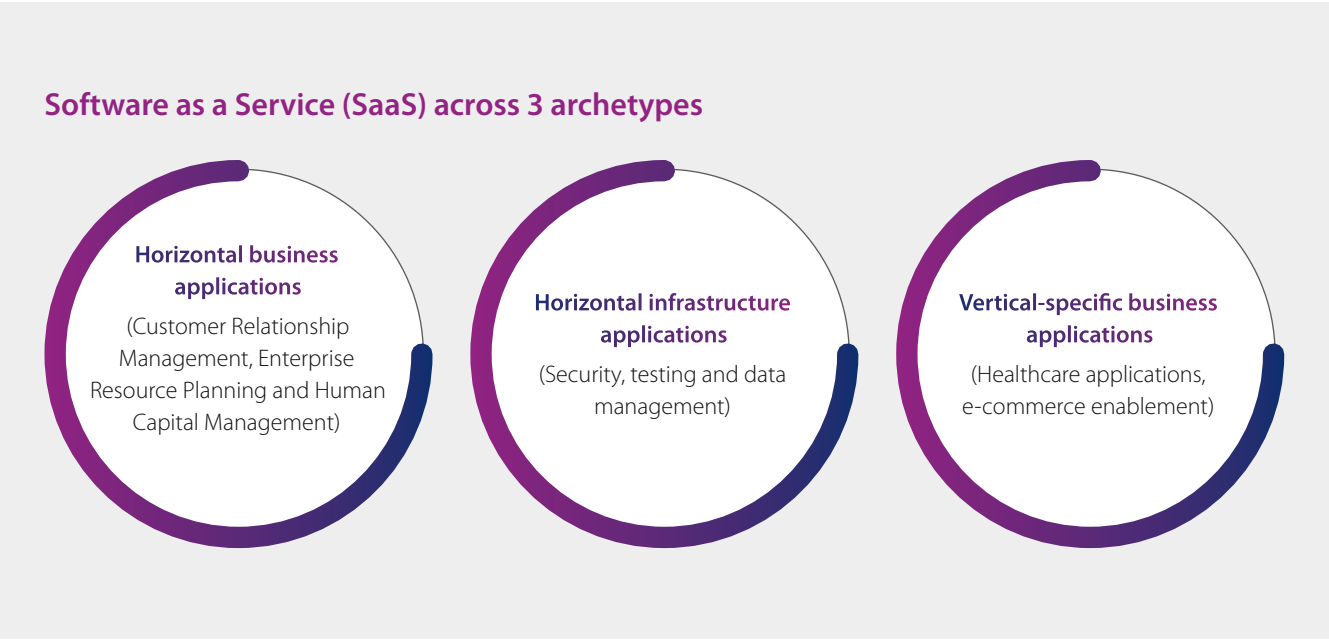
How IRIS possesses a rich domain leadership in the RegTech SaaS space



<p>Q: There is a growing perception that Software as a Service (SaaS) represents the next big wave for Indian software companies?</p>	<p>A: This perception is correct. This is especially so for those building SaaS offerings for the software industry worldwide. According to McKinsey, 55-60% of global IT and operations workflows are delivered from India. This is equally applicable for SaaS offerings developed for clients outside the software industry too, like RegTech</p>	<p>where IRIS is seeking to carve out a space for itself. The Indian software services story was built around labour cost arbitrage. The SaaS story will be scripted by great products delivered at a competitive price, leveraging Indian talent. McKinsey calls it 'India's right to win.' We agree that India has a right to win if we address</p>	<p>marketing and sales-related weaknesses that every Indian company including us has to grapple with.</p>
<p>Q: How is SaaS different?</p>	<p>A: To put it simply, companies with SaaS offerings do not sell the software, but rent it out. They sell the right to use the software and charge on a per use basis. A great analogy would be to recognise that one can buy a car or take it on lease. Companies offering IT services build products for others if that</p>	<p>is what they are contracted to do. Companies selling products own the products they make, which traditionally they have been selling to customers for a one-time fee and at times for an annual maintenance cost. In the SaaS space, companies own the products they make, which they rent out to others</p>	<p>for use. The rental they charge is on a per use basis. The responsibility of maintaining and continuously upgrading it is theirs. Selling SaaS offerings is therefore different from selling IT services or even IT products.</p>
<p>Q: What are the other implications of the emerging SaaS revolution?</p>	<p>A: It is almost as if the SaaS revolution is made for India and Indian companies. The growth in the IT services industry happened by leveraging the advantage provided by low Indian labour costs. Several other countries have tried to snatch that from India by offering labour at even lower costs. India also has a strong industrial edifice and close to a crore small businesses. India is a cost conscious country. Between these two features, India provides a great launch pad for global SaaS offerings. Indian companies can launch</p>	<p>products for the Indian market and then take it to the world. It is interesting to see the McKinsey study estimate the SaaS opportunity outside the USA to be over 60%. So when Mckinsey says that this is India's right to win, this should not be dismissed as hyperbole. 'Made in India SaaS offerings for the world', is how realities could emerge. But for this to happen, capital must change its mindset. Providers of capital in India are caught in a warp of time. They want a Facebook to</p>	<p>come from India, they want a twitter to emerge from India but they will be wary to fund it. Indian entrepreneurs are still funded overwhelmingly with money from overseas as Indian risk capital is not available. Hopefully, the success of a few companies will create a new class of Indian investors who will not chase the herd but possess a courage of conviction to back Indian entrepreneurs solving local and global problems while serving products in a SaaS framework.</p>
<p>Q: What makes SaaS a game-changer for customers?</p>	<p>A: Cost and convenience are perhaps the two most important factors that have led to the acceptability of SaaS. At the same time, the emerging technologies on the security front are able to</p>	<p>give comfort to users that they will not need to worry about data privacy issues. The ability to rent software, instead of having to buy it, has impacted costs. Equally, the ability to avail of the latest technological</p>	<p>solution instead of worrying if what is being used is old or dated is a source of comfort to users. This is especially so in the RegTech space as just too many companies have paid the price for not being up to</p>

	<p>date with the latest regulatory proclamations.</p> <p>Then there is the matter of democratisation. In times to come, there will be talk of</p>	<p>technological inclusion, much in the manner of financial inclusion. Access to cutting-edge technology need no longer be the preserve of the</p>	<p>well-funded. It can be a huge leveler in all aspects of the economy.</p>
Q: Is it in some ways a reflection of what is transpiring the world over?	A: There is certainly a parallel. You bought a video cassette or a DVD to see a film that thereafter stayed in your library and was never watched again; the world has moved since to renting films on digital platforms. One can see the	same trend evident in the consumption of hard products as well; the world over (and in India), for example, there is a growing preference for logistic fleet operators to rent tyres and buy miles from tyre manufacturers rather	than invest in the physical ownership of tyres, giving rise to an entirely new segment called Product as a Service. This then appears to be an idea whose time has come.
Q: Why did the 2020 pandemic emerge as a large tailwind for the SaaS space?	A: The world was locked down. International flights (into and out of India) were restricted. Entrepreneurs discovered new ways of serving all kinds of softwares in a SaaS framework, Users, on their part, got hooked to the promise of SaaS and were willing to experiment	with new ways of consuming software. They are now hooked. With the lockdown effectively creating a distributed enterprise, with each member of a company locked up in their own home, they woke up to the benefits of collaboration on the cloud. Now that they	can achieve their objective at a lower cost than what they were spending earlier and now that remote working is not as difficult as it had been made out to be, the future appears bright for companies in this space.
Q: What is that convergence of realities that makes India an attractive nurturing ground for SaaS?	A: A number of realities that worked for India in the past in the software services domain are likely to work for India in this case too.	India is helping inspire a new generation of young professionals that they too can do it, widening the pool of young entrepreneurial talent.	no qualms sharing their experiences with the younger players because the space is so vast that most companies offer services that are mutually exclusive of each other. The result is that there is a thriving SaaS eco-system available today that can grow into one of the most potent drivers of the sector across the foreseeable future
	<p>There is an explosion of entrepreneurship in India. These entrepreneurs are looking for problems to solve in a manner that is disruptive.</p> <p>The critical mass of individual success stories coming out of the SaaS space in</p>	<p>Unlike what happened more than two decades ago in India's software service sector, there is now a playbook available of how and what it takes to succeed in India's SaaS space. This playbook is uniquely collaborative; a number of successful Indian SaaS have</p>	

Q: What are the reasons that make the regulation technology (RegTech) space attractive for SaaS?	A: In fact, SaaS and RegTech are made for each other. All over the world, regulatory disclosures are not just going digital but moving from the submission of documents to the submission of data. At the same time, there is a move on the one hand, to a harmonised system of disclosures to not	only avoid duplication of submissions but also reduce the compliance burden, on the other hand, there is now a move to increase disclosures. Added to this is the threat of penalties of non-compliance and the case for RegTech SaaS becomes even stronger.
Q: Where does IRIS enter the picture?	A: IRIS is sitting at the intersection of domain expertise and technology. And if that's not all, the solutions of IRIS straddle the entire information supply chain. The credentials built over the years with some 30 regulators across various domains is not easy to replicate. The knowledge	<p>gained by working with the regulator helps greatly when developing products for the Create and the Consume segments of the business.</p> <p>IRIS has been engaged in the RegTech domain for a number of years. The company is a leader in this space.</p> <p>Through this, the company has developed a deep domain expertise that cannot be ignored. It possesses the ideal product-market fit. In a vast addressable market; it possesses an unmatched competitive advantage that should translate into a multi-year growth story.</p>



Analysis

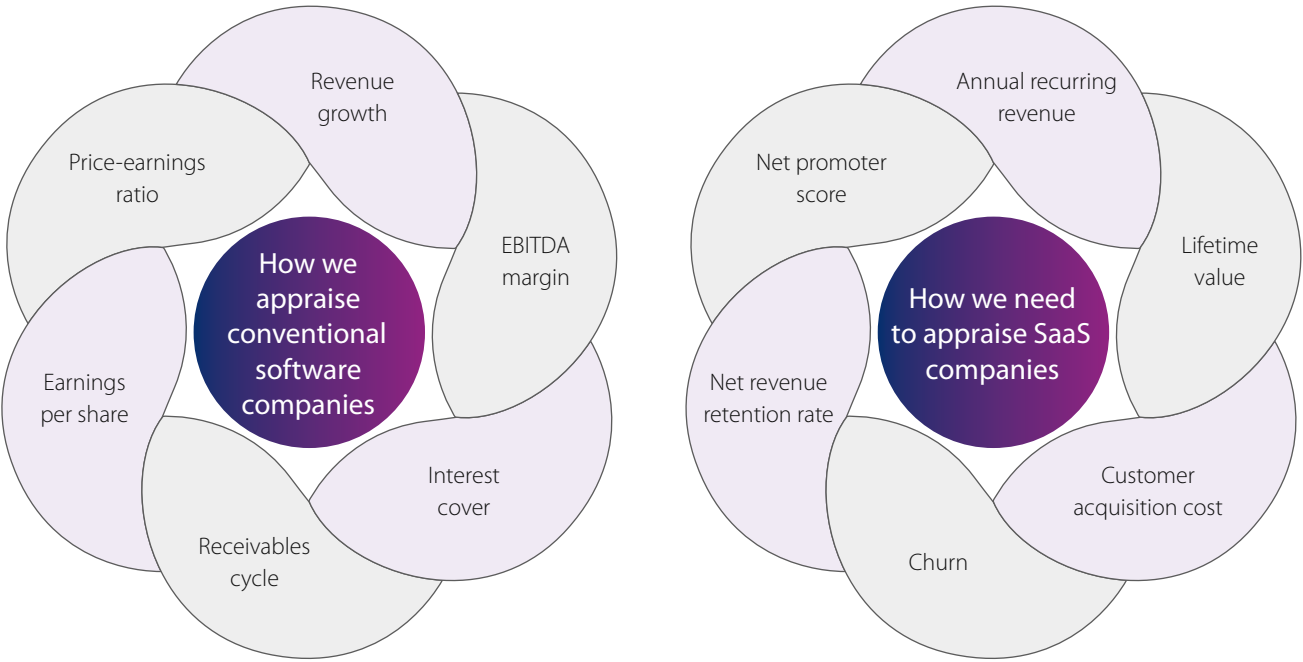
Why RegTech SaaS represents an idea whose time has come for governments the world over

<p>Q: Why is RegTech SaaS a subject of growing importance for governments the world over?</p>	<p>A: One would think that ordinarily governments would not care how a piece of software is delivered to a user to generate regulatory filings. But curiously enough they do.</p> <p>Every government needs to be mindful of the regulatory burden it imposes on its regulated entities in terms of the cost they need to incur to comply with the mandate. Hence, the possibility that a RegTech solution using a software delivered on a SaaS framework is able to keep</p>	<p>the costs under check, is what governments love. It ensures that the government will avoid being criticised for being asked to get the public sector outlandish sums of money to stay compliant. At the same time, the move from documents to data is increasingly leading to a reduction in the compliance burden of companies, which is always welcomed by regulated entities. Governments are also realizing that by introducing data standards like XBRL, they</p>	<p>are able to get good clean data, which makes evidence-based policy making not just a hollow claim but a reality.</p> <p>In the ultimate of ironies, a SaaS approach throws up the possibility of what is beginning to be called Government as a Service (or GAAS), making the delivery of citizen services possible at a cost lower than what has been possible until now.</p>
<p>Q: How does this play out within the government?</p>	<p>A: This plays out among governments in a relevant manner. There is a growing conviction that the era of raising taxes each time there is a revenue shortfall is over. What forward-looking governments will seek to do is collect more data about citizens and their income, classify this information</p>	<p>in a structured manner, de-code the information to generate leads, plug taxation leakages and generate more revenues for the government. Besides, the information that is submitted once will become the foundation for understanding citizens (corporate or individual) at a</p>	<p>deeper level and for a longer period. The days of manually filling forms in triplicate or submitting photocopies are over. Smart governments are investing in data analytics to enhance their fiscal and collection efficiency.</p>
<p>Q: How does a government expect to aggregate data from companies and individuals?</p>	<p>A: The periodicity of filing may decline while the breadth of data to be reported is likely to increase, making it possible for the government to collect data, create a large pool of structured and standardised information sets, subject these to automated machine reading, simulate information sets for informed understanding and</p>	<p>scale government efficiency without a proportionate increase in employees. As an extension of this reality, governments can use a better RegTech understanding to advise aid-recipient countries to leverage superior data quality from within, enhance tax efficiency, reduced indebtedness and enhance</p>	<p>liquidity that can then be directed towards public welfare investments. In view of this, RegTech is not peripheral to the existence of governments but integral to it. Throw SaaS into the grinder and suddenly all this becomes possible in a cost-efficient manner.</p>



Analysis

How SaaS companies like IRIS need to be appraised differently from conventional software or general companies



Overview

Due to the nature of accounting and SaaS expenses, traditional metrics applied to manufacturing companies do not adequately capture the true financial situation when applied to a SaaS business. Expenditure items that provide long-term value to the company are treated as expenditure (which is like writing off one’s factory as a ‘cost’). The traditional metrics of EBITDA, asset turnover and Return on Capital Employed do not capture the health and profitability of a SaaS business and could lead to investors rejecting outstanding SaaS businesses.

Due to these reasons, good SaaS companies can report accounting losses even while enhancing organizational value. To facilitate a better understanding, the SaaS world emerged with relevant metrics to measure SaaS companies on whether they enhance economic value or not.

Annual recurring revenue: This is considered by many to be the Holy Grail of SaaS companies. It indicates the quantum of revenues generated by the company each year from the same customers,

which makes it an annuity stream. This is by far the single most important metric in the valuation of SaaS companies, with companies being valued at a multiple of ARR. The multiple, which is a function of many factors, is presently said to be hovering around 14 or so, according to data presented at an event organised by SaaSBoomi, an organization of SaaS company founders.

Lifetime value: This measures the economic value of each customer acquired over the lifetime the customer stays with the company. Accounting measures like EBITDA are incapable in the measurement of economic value generated and may actually give a contrary perspective of the health of a business. The value of SaaS companies derives from the lifetime value and cost of customer acquisition.

Customer acquisition cost: This pertains to the cost of sales and marketing required to acquire a customer; the lower the cost, the more profitable the business.

Churn: This is the rate at which a company loses customers. The less the customers lost, the greater the long-term value

and the greater the value of the SaaS business. Besides, the lower the churn, the more a company can afford a higher customer acquisition cost. Low churn is also indicative of a company’s ability to withstand competition and is evidence of a moat that staves off competitors.

Net revenue retention rate: This is the equivalent of same-store sales growth among retail chains. In a growing SaaS business, it may not be clear if the business is adding economic value or not. The NRRR indicates growth from existing customers, influencing EBITDA margins. A high NRRR suggests greater product traction through additional features or more users, indicating a higher wallet share.

Net promoter score: Net Promoter Score is a score used to measure customer loyalty, satisfaction and enthusiasm, calculated by asking customers one question: ‘On a scale from 0 to 10, how likely are you to recommend this product/company to a friend or colleague?’ Aggregate NPS scores help businesses improve service, customer support, delivery etc. for increased customer loyalty.

What informed investors and analysts have to say about how to decode the emerging SaaS sector



"I'm being asked how to generate the data needed to calculate a bottoms up DCF if you can't get it from the disclosure documents or the business won't provide it? Have you read Phil Fisher's 1958 book? Have you at least read a good summary of his ideas? AMA on Charlie Munger: What did Charlie Munger learn from Phil Fisher? Phil Fisher had a significant influence on Charlie Munger's decision to invest in stocks based on a bargain relative to the quality of the business."
@trengriffin

"There are situations investing which produces exceptionally valuable hidden companies which I call as accounting arbitrage. Value of the company is hidden as the accounting standards do not accurately capture the economic value of the underlying businesses of those companies. My surmise is that SaaS companies fall squarely in that domain. Indian listed SaaS Company suffers from lack of appreciation from very short-term investors who also don't understand this aspect of the SaaS business."
A SaaS expert working with a global consulting firm (not wishing to be identified)

What employees have to say about the distinctive IRIS culture



"IRIS is like 'family'. Let me tell you why: in 2005, my parents were travelling to my native place in Orissa without a cell phone. My uncle called to say that my father had a heart attack and passed away. They were neither in Mumbai (my workplace) nor Orissa, so where could I reach them? This message reached our management; they called the DGP of that place and arranged a plane and car booking to get me there."

Gopal Krishna Sahu
Operations Head, Mumbai



"I joined in 2008 as an intern in the technology department. The tenure of the internship was for four months but based on my performance I got an offer letter in two months. I faced a financial crisis five years ago; the management arranged a loan and during this tenure no one reminded me about repayment. Similarly, a colleague tested Covid-positive and needed funds for treatment; the company credited the entire treatment amount to his bank account."

Ashish Singhvi
Product Engineering Head, Surat



"IRIS has an outstanding work environment. It is fantastic to work in an uplifting environment. The senior management is approachable, which is therapeutic for new joinees. The major perk: free interaction with one another across hierarchies. The management took care of employees and family members (of a few employees) who suffered from COVID-19 in terms of arranging for hospital beds and other necessities. How many companies will do all this?"

Sambhav Maniar
Technical Architect, Navi Mumbai



"I joined IRIS in 2011 as a financial analyst and made the right decision. The best thing about IRIS: its open culture. The communication is direct, the culture is employee-centric, good work is incentivised and this explains why even though the company incurred a loss in 2016 and 2017, employees did not leave."

Vineet Kandoi
Head of Accounts Department, Mumbai



"One of the most remarkable things about IRIS is its flexible work culture. In spite of being a large organisation, there is no rigidity in the work environment. Rather, the whole setup is extremely employee friendly, which allows us to work at our own pace and in the manner we choose. The absence of a rigid hierarchical systems works in our favour as it allows us to learn and expand our professional horizon. Due to my father's ill health, I had to shift from Mumbai to Coimbatore and IRIS made all arrangements to ensure that I would be able to work from there without difficulty. Rare."

Anuradha RK
Head of Customer Success, Coimbatore



"I have been born and brought up by IRIS, working under some of the most talented people. IRIS allows employees the autonomy to work as they see fit. There is no micromanagement from seniors. Our seniors and colleagues are there to guide and support us, but we are given the freedom to work the way we like as long as it yields results."

Sakshi Kachare
GST Client Engagement Team, Navi Mumbai

Management Discussion and Analysis



Global economic overview

The global economy reported de-growth of 3.5% in 2020 compared to a growth of 2.9% in 2019, the sharpest contraction since World War II. This steep decline in global economic growth was largely due to the outbreak of the novel coronavirus and the consequent suspension of economic activities across the world. This led to global supply chain disruptions, resulting in a de-growth in some of the largest global economies.

Consequently, global FDI reported a significant decline from USD 1.5 trillion in 2019 to USD 859 billion in 2020, the lowest since the 1990s and more than 30% below the investment trough that followed the 2008-09 global financial meltdown.

Regional growth %	2020	2019
World output	(3.3)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

(Source: IMF)

Performance of some major economies

United States: The country witnessed a GDP de-growth of 3.4% in 2020 compared to a growth of 2.3% in 2019.

China: The country's Gross Domestic Product grew 2.3% in 2020 compared to 6.1% in 2019 despite being the epicentre of the outbreak of the novel coronavirus.

United Kingdom: Britain's GDP shrank 9.9% in 2020 compared to 1.4% growth in 2019, 2x the annual contraction recorded in the aftermath of the global meltdown in 2009.

(Source: CNN, IMF, Economic Times, trading economics, Statista, CNBC)

The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies.

(Source: IMF)

Indian economic review

The Indian economy passed through one of the volatile periods in living memory in FY 2020-21.

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slowing economy as 1.38 billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world. The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9% in the first quarter of FY 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery.

The result is that India's GDP contracted 7.3% during FY 2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery – one of the most decisive among major economies – validated India's robust long-term consumption potential.

Y-o-Y growth of the Indian economy

	FY18	FY19	FY20	FY21
Real GDP growth (%)	7	6.1	4.2	(7.3)

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

The outlook for the country appears to be positive assuming the pandemic surge can be swiftly contained. The Indian economy is projected to grow by more than 10% in FY 2021-22 as per various institutional estimates, making it one of the fastest-growing economies.

Growth of the Indian economy, FY 2020-21

	Q1, FY21	Q2, FY21	Q3, FY21	Q4, FY21
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

Global regulatory technology

Regulation technology or RegTech is a broad-based term used to describe the leveraging of technological solutions to meet a company's regulatory and compliance needs. RegTech streamlines the regulatory process, making it more transparent and time-efficient, saving organisation compliance costs. RegTech solutions include monitoring transactions, risk identification, external reporting, risk and compliance management, among others.

RegTech widely uses Software-as-a-Service (SaaS) platform comprising technologies like AI and intelligent process automation to accelerate procedures and moderate human errors. RegTech is largely implemented through cloud- based solutions, which uses data surveillance and data analytics to make it scalable, cost efficient and easy to use across a wide variety of users.

The RegTech industry is one of those few industries that thrived during the Covid-19 pandemic in 2020. The pandemic caused the suspension of all economic activities, barring essential services such as banks, which had to rely on digital solutions like RegTech to increase their productivity. Another factor influencing the RegTech market growth is the use of Artificial Intelligence (AI), which helps prevent fraud and enhances systemic transparency.

RegTech offers a range of technological solutions to meet the regulatory criteria of various different sectors, the banking and financial services sector being one of them. The growth of the RegTech market is largely driven by the banking and financial services sector. Being a heavily regulated sector, the banking and financial services industry follows stringent regulatory norms which, if violated, could cost fines and penalties.

Annually financial institutions spend over USD 100 billion in non-compliance fines. RegTech monitors various aspects of banking regulations such as KYC and AML screening, customer credit scoring, compliance risk analysis etc.

The global RegTech market was valued at approximately USD 6 billion in 2020. North America accounted for the largest RegTech market by revenue followed by Europe. The RegTech is estimated to be at USD 13.4 billion in 2025, growing at CAGR of 17.5%. This growth was largely attributed to the increasing incidence of fraud, growing need for compliance management, moderating compliance costs and the need for consistency and transparency.

(Source: PRNewswire, Globalnewswire)

Positive developments across the world

Europe: European Securities and Market Authority (ESMA) has introduced the Electronic Single Electronic Format (ESEF) in which issuers on EU regulated markets were expected to prepare their annual financial reports in Inline XBRL from 1 January 2020. The ESEF ESMA mandate is applicable for all companies listed in EU exchanges who are filing IFRS consolidated statements. There are 4,700 + companies, including the UK companies, who needed to file in iXBRL from January 1, 2021 onwards. However, due to the COVID pandemic, the European Commission allowed the member countries to decide if they would like to adopt ESEF from this year or next. Some countries such as Germany, Slovenia and Austria have decided to adopt this ESEF for 2020 annual reports; however, the rest of the countries have decided to adopt it for 2021 annual reports.



The top five countries viz. France, Germany, Italy, Poland and Sweden, account for almost 50% of the clients.

Similarly, the Investment Firms Directive (IFD) and Investment Firms Regulation (IFR) directive in the EU will require a certain set of investment firms to comply with XBRL reporting from Q3 2021. There is a significant momentum in Europe around ESG reporting in the medium term, with the European Commission coming out with the Corporate Sustainability Reporting Directive (CSRD) in April 2021 and signalling the need to use electronic reporting standards like the Inline XBRL. This directive is expected to cover more companies, over and above the listed company universe.

USA: The SEC mandates listed companies to file quarterly and annual reports in XBRL. The SEC continues to include additional mandates year-on-year, expanding the scope of iXBRL/XBRL to other forms of reporting. Environmental, Social and Governance (ESG) reporting is coming into prominence in the US; SEC is working towards an implementation strategy where all public companies would be asked to adopt sustainability standards and make these reports available in XBRL/iXBRL.

The Federal Energy Regulatory Commission

(FERC) is replacing its electronic filing format for a list of select forms (first phase) with XBRL. The first phase of the project is under implementation. Due to the pandemic, implementation was postponed by a few months. Energy companies have to file their Q3 2021 filings in XBRL. FERC announced Phase 2 of the project, expanding the mandate to include other reports and forms. In Phase 1, about 800 companies were impacted and in Phase 2, several thousand companies will be impacted.

In the USA, state agencies prepare and submit their Annual Comprehensive Financial Report on an annual basis to their respective state financial controllers. There are over 90,000 such state agencies in the country. Over 30,000 of them raise money for their funding requirements from the municipal bond market and are governed by the Municipal Securities Rulemaking Board, which requires these 30,000 ++ state agencies to submit their audited CAFRs to the federal agency as well. Driven by the Data Act and Financial Transparency Act, a common data standard needs to be implemented in five years which will cover not only CAFRs but also Single Audit. Led by Florida, who have already adopted XBRL for the state agencies to report in XBRL,

several other states are actively reviewing and putting together their strategy and mandate for the adoption of XBRL for Annual Comprehensive Financial Report (ACFR). Studies and pilots are being done by several states with several Universities to put together a policy for its adoption after evaluating the standards for the benefits it brings. California, Idaho, Illinois, Michigan, Georgia and other States are in advanced stages of putting together a policy/legal framework for its adoption. A pilot taxonomy for CAFR and Single Audit Report was built with the help of IRIS. Inline XBRL sample documents for various state agencies, have been prepared using IRIS’ platform.

The GREAT Act of 2019 of the USA mandates governments and non-profits in receipt of federal funds (in excess of USD 750,000) to submit audited financial statements, by mandating that these statements be reported digitally, in the XBRL format from 2021. These developments open up a strong opportunity for the US market. However, the mandate and its adoption has been significantly affected by the onset of the pandemic and, as a result, the implementation timelines have been relaxed significantly.

Indian RegTech market

The RegTech industry in India has gained traction owing to digitalization and supportive government policies like Digital India. The adoption of digital payments by traditional banks and fintechs has created a demand for RegTech to simplify and accelerate back-end compliance processes, while making financial transactions transparent.

The Indian RegTech market is backed by the Reserve Bank of India (RBI), which aims to harness RegTech and reform compliance practices to protect investors, raise the

efficiency of financial markets to at par with the global markets, simplify the compliance framework to reduce security and cost risk, enable real-time monitoring of compliance violations and improve economic transparency. Since financial institutions store sensitive customer data, RegTech will protect them against cyber threats.

The Indian RegTech market is witnessing a growth phase as more companies, ranging from government bodies to private entities, are introducing data analytics and Artificial Intelligence (AI) to their compliance

processes. Indian companies have enforced RegTech such as banking compliance and tax compliance, investment support, anti-money laundering (AML), cross-border risk management, privacy and surveillance.

RegTech is not limited to the financial sector and can be applied in any industry or company that wishes to accelerate its regulatory processes and mitigate compliance risk. However, it plays an important role in the Indian financial sector, which is the backbone of the country's economy. In recent times, there have



been large bank frauds due to compliance violations, which put the credibility and security of such financial institutions at risk.

After a thorough investigation, authorities concluded that such frauds could be prevented with the help of RegTech.

(Source: Zoop.one)

Why India’s SaaS sector is at an inflection point

India’s SaaS sector is at the point where it is poised for disproportionate growth.

In the last six years, funded SaaS companies more than doubled; SaaS companies drawing Series C or later-stage capital quadrupled.

The result is that what was a nominal industry presence at the close of the first decade of this century is today a multi-billion dollar industry.

Indian SaaS companies have broad-based across the following: horizontal and vertical solutions, enterprise and SMB/mid-market solutions, ‘India for India’ and ‘India for

the world’ themes, established segments (customer support) and sunrise technology opportunities (API management). India has a thriving ecosystem of enablers, comprising SaaS investors, incubators, accelerators and government initiatives.

Indian SaaS companies seek scale through investments in market creation via freemium offerings, innovative monetisation and articulation of customer benefits with tangible return on investment (ROI) metrics.

Over the years, the successful Indian SaaS companies have gravitated to remote

selling, launched effective enterprise sales engines to focus on moving upmarket and expanding to large global markets, created a strong product-market fit to solve a specific use case by working with early customers and sharpening the value proposition and fostering the employee growth despite locational dispersal.

More than 50 companies have exceeded the USD 10 million annual recurring revenue cut-off. The result is that Indian SaaS companies are poised to grow to around USD 20 billion in revenue and capture 7% to 9% share of the global SaaS market by 2022.

Growth of Indian SaaS segment

Parameter	5 years ago	Now
SaaS companies by number	4,000-5,000 companies	7,000-8,000 companies
SaaS companies that raised funds	~500 companies	~1,200 companies
SaaS companies that raised significant late-stage (Series C+) capital	~10 companies	40+ companies

Source: India SaaS Report 2020, Bain & Company

Tailwinds for Indian SaaS companies

The Indian SaaS segment attracted more than a billion dollars of investment in 2019, accounting for 20% of VC/growth equity investments in the first half of 2020. This growth was driven by the following realities:

Eco-system: Indian software companies have launched world-class products built and grown by Indian founders.

Engineering talent: Indian SaaS companies enjoy access to a large and growing pool of skilled talent from Indian domestic engineering colleges.

Cost competitiveness: Indian SaaS companies work around modest cost

structures compared with equivalent companies from developed countries, marked by a visible priority for prudent cash management leading to sustainable growth.

Service: Indian SaaS companies are adept at a competent service culture reinforced by an existing culture of successful IT and Business Process Outsourcing (BPO) industries.

Category extension: Indian SaaS companies have entered new categories with a focus on superior customer experience and innovation.

Sales excellence: Indian SaaS companies have reinforced their sales effectiveness through their US-based headquarters and learning from early successes.

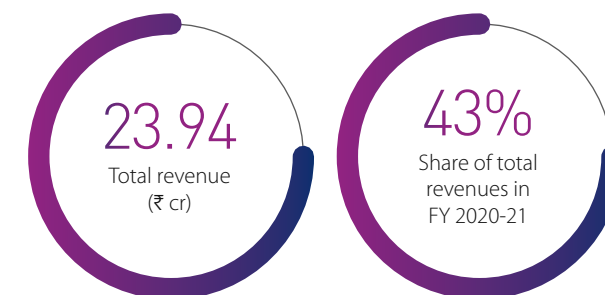
Enterprise product strategy: Indian SaaS companies have developed products addressing complexities (scale deployments, migration, security and compliance) of their enterprise clients.

Eco-system: Indian SaaS companies are setting up large research and development centres in India.

IRIS' business overview

Business segment analysis #1

Our Collect business



Business overview

The Collect business of IRIS addresses needs of regulators across the globe. Regulators can make use of IRIS' flagship iFile product to create a complete XBRL-based reporting platform using a modular and flexible component design architecture. The framework is designed around easy deployment by any reporting authority in its jurisdiction or even internally within an enterprise. Using the web, APIs and client components, the regulator's reporting platform can connect with enterprises and other reporting entities that need to file with the regulator.

IRIS iFILE supports XBRL and non-XBRL data. It can be integrated with other information systems at the stage of creation of XBRL data or when the XBRL data is being disseminated or analysed. IRIS iFILE is already being used across various regulatory environments including capital markets, banking and e-governance.

The IRIS differentiator

- More than 13 years of experience with strong domain knowledge across various regulatory bodies
- A multi-disciplinary team comprising competent technical and financial professionals, combining deep taxonomy and product platform skills.
- Can easily be integrated with existing data management systems within the client's IT infrastructure
- Critical mass of more than 25 installations across the world

Highlights, FY 2020-21

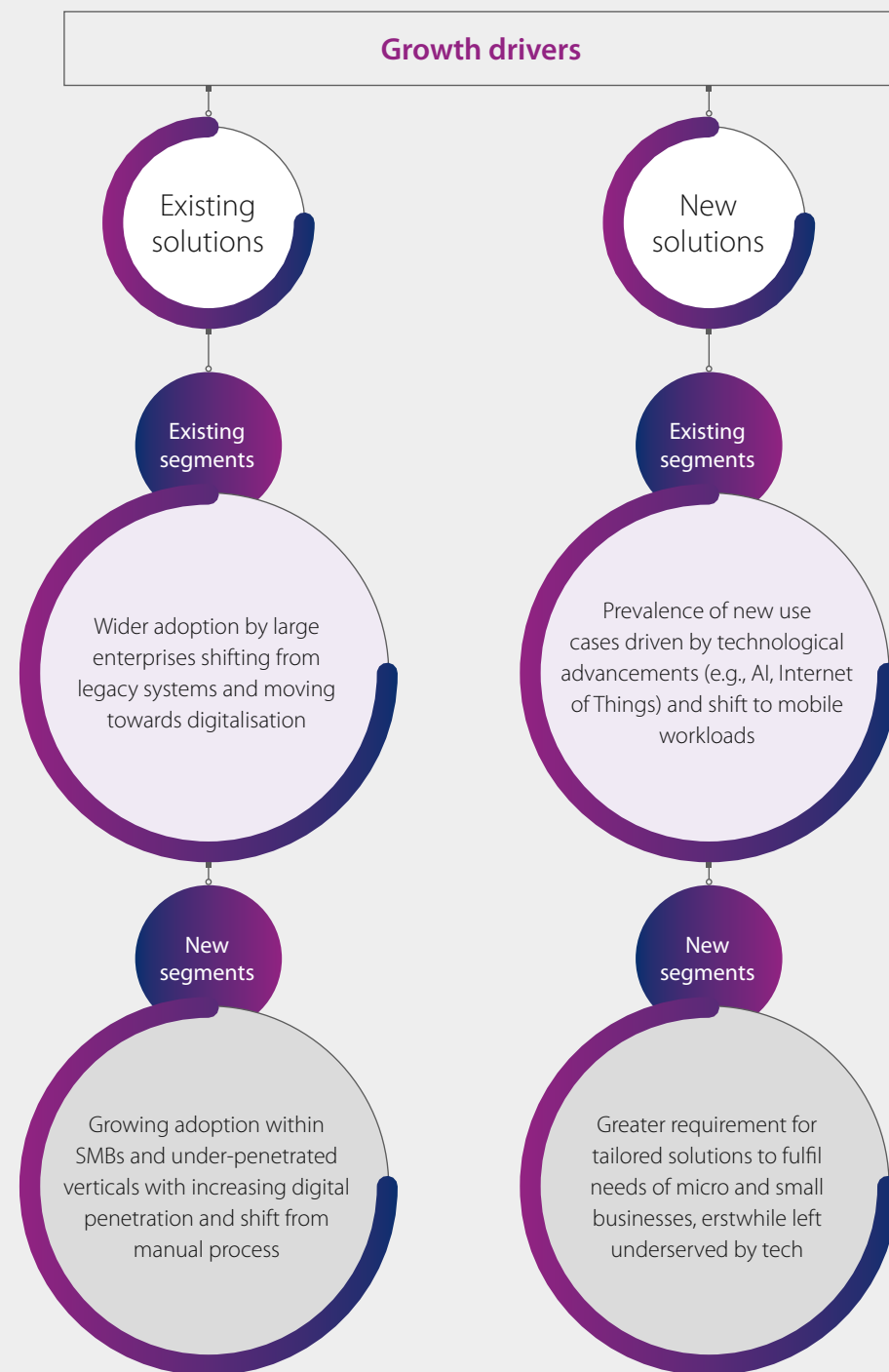
Being a year of the pandemic, implementation activities slowed in multiple geographies. The company was able to successfully transition into a remote working arrangement for nearly all its activities in the maintenance and implementation areas. While the focus was on implementation at the RBI, Central Bank, Jordan and Capital Markets Authority, Oman, a few existing customers such as CBRD Mauritius scaled activities.

We also saw many prospective customers postponing their RFP activities.

Outlook

While IRIS has established a strong brand in the regulator market for XBRL- driven reporting platforms, the global onset of the Covid pandemic led to a delay in new orders. We continue to be in discussions with existing and prospective customers on platform enhancements and new implementations and are hopeful that the environment will become conducive to new orders from the second half of the current financial year.

Growth drivers

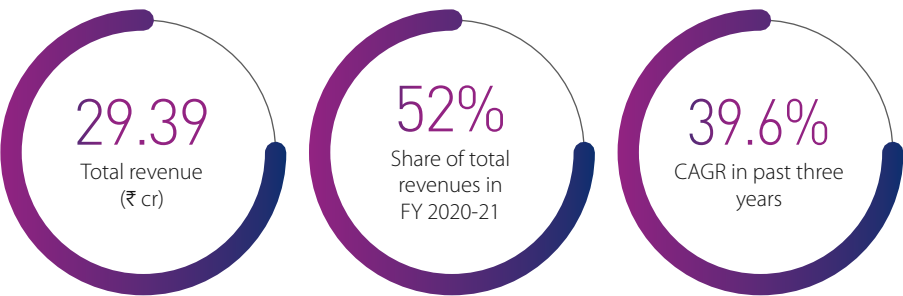


Source: India SaaS Report 2020, Bain & Company

IRIS' business overview

Business segment analysis #2

Our Create business segment



Overview

This business is built around the need for enterprises to collaborate and create regulatory filings in a structured data format. IRIS offers a cloud-based platform, streamlining the process of complex compliance reporting. The Company's clientele under this business segment includes a range of entities such as public listed companies, financial institutions and private issuers who use our products to meet multiple regulators' mandates, particularly in using the XBRL standard. The Company's key offerings under this segment include IRIS CARBON®, a subscription-based and cloud-hosted application.

IRIS CARBON® is offered in the US and UK, in 23 countries in the EU, India and South Africa to address regulator-mandated needs for XBRL or Inline XBRL-based financial report filing.

The business segment also includes IRIS iDeal, which focuses on automated regulatory data filings targeted at the BFSI segment. IRIS GST is a different product line and an India-specific platform designed to address the needs of the India's GST compliance regime.

IRIS CARBON®

IRIS CARBON®, the flagship offering of IRIS, is a complete SaaS offering with the ability to work with multiple data dictionaries (taxonomies) and diverse business rules across country or region-specific mandates such as US SEC UK HMRC, EU's ESMA, South Africa's CIPC and India's MCA. IRIS has been consistently updating the product with enhanced features like machine learning algorithms to improve report creation efficiency through an automated tag selection process. The product is extremely flexible and modular and provides the customers to choose their exact requirements. IRIS CARBON® is acknowledged by customers as a product that delivers value and is also certified by the XBRL International body. It is perhaps the only product that supports different languages, a key advantage in Europe.

There is increased adoption of the XBRL standard across the world. The European Securities Market Authority (ESMA) has mandated that all public listed companies adopt iXBRL from 2021 (postponed from June 2020 owing to the Covid-19 pandemic). At the same time, many European countries have also allowed

ESMA filing on a voluntary basis. IRIS already has a number of customers from Europe who are using the IRIS CARBON® platform to generate iXBRL reports. The Company is also in the process of expanding its client base, especially since all listed companies in Europe are expected to mandatorily use the iXBRL standard to generate the 2021 annual reports. The other important XBRL driven mandate that is coming in 2021 is the one from the US Federal Energy Regulatory Commission (FERC) which in the first phase in 2021 will apply to less than a thousand energy companies but is expected to expand to all energy companies within the next couple of years. In addition, a number of US states are expected to adopt state-owned companies for XBRL reporting. IRIS is looking at reaching out to US states with IRIS CARBON® to drive market penetration.

IRIS GST

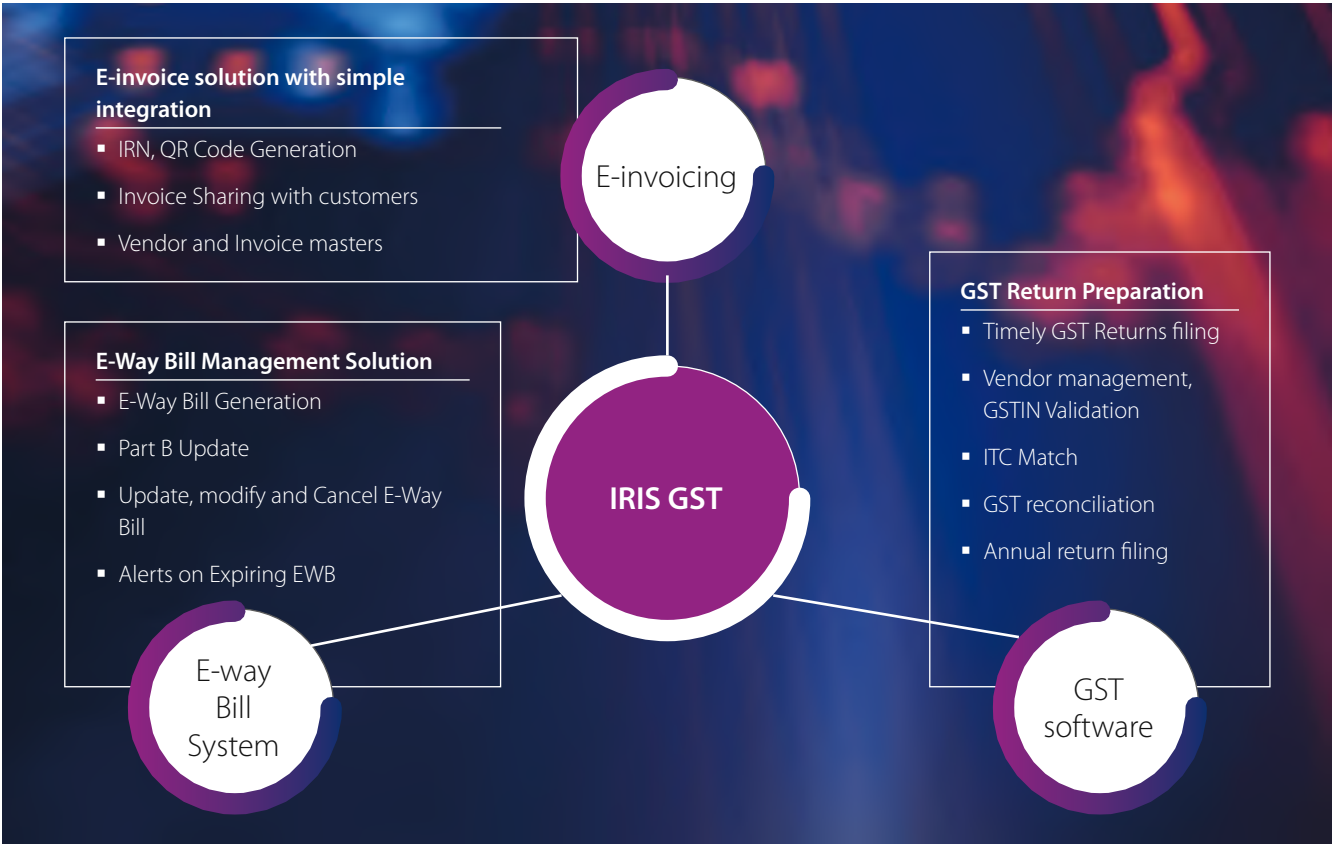
IRIS is among the first clutch of GSPs (GST Suvidha Provider) selected by the GST network, GSTN. IRIS brought into the market a host of cloud-based SaaS offerings under the IRIS GST umbrella to help companies fulfill the complex GST return filing compliance requirements.

IRIS possesses an end-to-end offering that combines a full-fledged ASP solution along with a GSP conduit to interact with the GSTN. The Company's offerings also include an e-invoice solution with seamless integration and an e-way bill management solution.

The year FY 2020-21 saw India embracing e-Invoicing, starting with the large enterprises and steadily going down to the small businesses. IRIS successfully launched its e-Invoicing solution 'Onyx' in FY 2020-21 and added a number of customers large and small who use the platform.

The company's mobile application IRIS Peridot continues to grow in popularity.

Any GST number captured by the app provides information about the registered tax payer as well as information on timely payment of GST and filing of returns. In FY 2020-21, IRIS Peridot features were expanded and the plan is to offer even more value going forward.



IRIS iDeal

IRIS iDeal has carved a niche for itself, especially in the banking segment in India and Mauritius – as a software that enables automated regulatory reporting to the central bank. The focus of the RBI is on getting more banks to file regulatory data in a system-to-system mode. In that context, IRIS iDeal is well placed. Markets in other countries, are opening up as well.

Outlook

Globally, there is a push towards digital reporting and the adoption of a structured data format such as XBRL. Current trends indicate the adoption of Inline XBRL (iXBRL) as the preferred format as it combines in one single format human readable and machine-readable content. As financial reporting across countries moves towards XBRL-based reporting, IRIS CARBON® is well placed to reap benefits.

In addition to financial reporting, the coming wave indicates a significant push towards non-financial ESG reporting in a standardised digital format. The need for

sustainability reporting has acquired a degree of urgency especially after the onset of the pandemic and the large economies such as the EU and US are now looking at building a uniform set of reporting standards as well as an electronic data dictionary (in XBRL), enabling easy data access and comparison. This development will benefit offerings such as IRIS CARBON®.

In the GST compliance business, IRIS expects markets to evolve and ancillary opportunities to emerge. IRIS iDeal would be now exploring BFSI markets in other geographies, in line with a move towards increased XBRL adoption.

Review of our financials

Overview

Our subsidiaries, while functioning as marketing and customer support entities, invoice customers as well with the result that consolidated financials of IRIS give a more complete picture. During FY 2020-21, the Company reported a revenue of ₹56.59 cr against ₹51.57 cr reported in FY 2019-20, resulting in a growth of 10%. The growth

was mainly on account of IRIS Carbon and IRIS GST, which grew 66.7%, and 52% respectively over the previous years.

Revenues from the Collect segment declined 18.2% from ₹29.30 cr in FY 2019-20 to ₹23.94 cr in FY 2020-21.

Revenues from the Create segment grew 57.8% from ₹18.62 cr in FY 2019-20 to ₹29.39 cr in FY 2020-21

Revenues from the Consume segment marginally declined 3.2% from ₹3.07 cr in FY 2019-20 to ₹2.97 cr in FY 2020-21

Being a global player, the Company generated 61% of its revenues in FY 2020-21 from overseas, compared to 59% in FY 2019-20.

Employee retention

The Company provides an enabling and discrimination-free work environment.

Employees are actively encouraged to take ownership of their area of activity; a spirit of initiative taking is recognised. This has led

to good employee retention, attrition rate was reasonably low at 9%.

Risk management

The risk management framework is applicable through various management and fuctional levels and project areas.

The internal committee helps in the following activities:

- Assess the risk portfolio and recommend a response strategy for the reorganisation of resources to mitigate respective risks

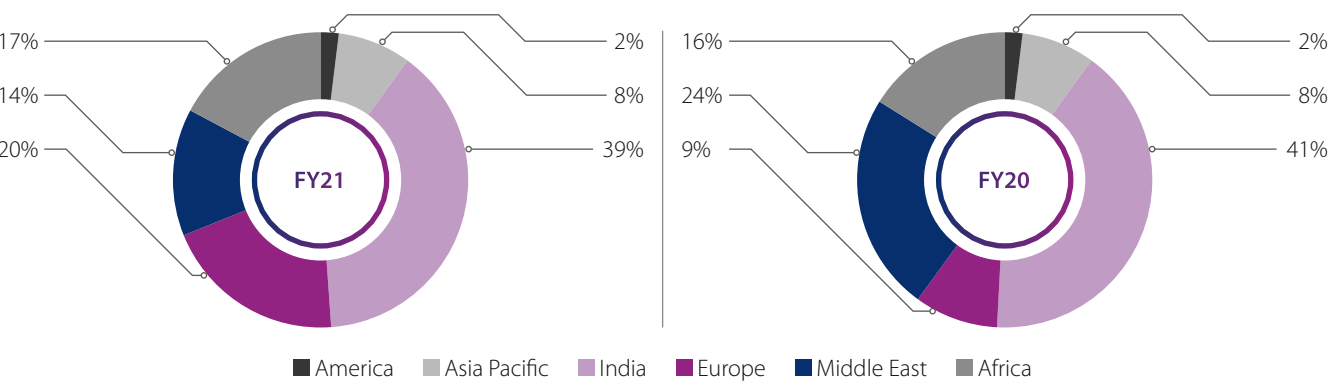
- Collect information and intimate the Board of Directors and other executive bodies on the efficiency of the risk management practices.
- Co-ordinate comprehensive risk management processes
- Develop guidelines to deal with risk management processes

- Daily monitoring of the risk management procedures throughout business units and controlled entities
- Organise training in risk management and internal control

Revenue by segment (₹ cr)

Segments	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Collect	21.73	27.91	23.94	29.30
Create	28.38	17.90	29.39	18.62
Consume	2.97	3.07	2.97	3.07

Revenues by geography



Key financial ratios

Particulars	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Return on Net Worth*	11.28%	5.59%	10.45%	1.89%
Current ratio**	1.48	1.17	1.38	1.15
Net Debt-Equity ratio***	(0.02)	0.35	(0.08)	0.38
Debtor days	89	123	85	125
Operating margin	8.39%	6.33%	6.86%	4.06%
Net Profit margin	6.23%	3.05%	4.81%	0.90%
Interest coverage ratio#	6.37	6.03	5.98	5.32

* PAT/Average Equity
** Current Assets/Current Liabilities
*** (Long Term Debt+ Short Term Borrowings + Current maturities of Long Term debt less Cash and Cash Equivalents)/Total Equity
(EBIT+Depreciation)/Interest Expense

Internal control system 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 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.

NOTICE

NOTICE is hereby given that the Twenty-First Annual General Meeting (“AGM”) of the members of IRIS Business Services Limited will be held through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) on 14th, August, 2021 at 11.00 a.m. (IST) to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at T-231, Tower 2, 3rd Floor, International Infotech Park, Vashi Station, Vashi - 400 703, Maharashtra, India.

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, 2021 including the Balance Sheet as at March 31, 2021, 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, who retires by rotation at the Annual General Meeting and being eligible has offered herself for re-appointment.

Item No. 3 – To approve appointment of Haseeb Drabu as an Independent Director

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

RESOLVED THAT Mr Haseeb A. Drabu (DIN: 00489888), who was appointed by the Board of Directors as an Additional Director (Independent) of the company effective from 13th November, 2020 and who holds office up to the commencement of the 21st

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 as 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 Haseeb A Drabu, 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 13th November, 2020 upto 12th November, 2025;

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

Jay Mistry

Place: Navi Mumbai Company Secretary & Compliance Officer
Date: 22nd May, 2021 (ACS 34264)

Notes:

1.

In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 and 13th January, 2021 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the shareholders at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2.

Explanatory Statement pursuant to Section 102 of the Act relating to Items nos. 2 and 3 of the Notice of the 21st AGM, which are considered to be unavoidable by the Board of Directors of the Company, is annexed hereto. The relevant details as required under Regulation 26(4) and 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 re-appointment / appointment under Item No. 2 and 3 of the Notice, are also annexed.
3.

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. However, since this AGM is being held through VC / OAVM, whereby physical attendance of Shareholders has been dispensed with and in line with the said Circulars read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 (“said SEBI Circular”) issued by the Securities and Exchange Board of India (“SEBI”), THE FACILITY TO APPOINT A PROXY TO ATTEND AND CAST



VOTE FOR THE SHAREHOLDER IS NOT MADE AVAILABLE FOR THIS AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in terms of the provisions of Section 112 and 113 of the Act read with the said Circulars, Corporate Members are entitled to appoint their authorized representatives to attend the AGM through VC / OAVM on their behalf and participate thereat, including cast votes by electronic means (details of which are provided separately, hereinbelow).

4. The shareholders can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned hereinbelow in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 shareholders on 'first come first serve' basis. This will not include large shareholders (i.e. shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.
5. The attendance of the shareholders attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The shareholders, seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 8th August, 2021, 5:00 pm (IST), through email on cs@irisbusiness.com. The same will be replied by/ on behalf of the Company suitably.
7. In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the said Circulars issued by the MCA and said SEBI Circular, the Annual Report including Notice of the Twenty-first AGM of the Company indicating the process and manner of e-voting is being sent only by Email, to all the shareholders whose Email IDs are registered with the Company/ Depository Participant(s) for communication purposes to the shareholders and to all other persons so entitled. Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the said Circulars issued by MCA and said SEBI Circular, the Annual Report including Notice of the Twenty-first AGM of the Company will also be available on the website of the Company at www.irisbusiness.com. The same can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of NSDL (agency for providing the remote e-voting facility and e-voting system during the AGM i.e. <https://www.evoting.nsdl.com/>).
8. The Register of Members and Share Transfer Books of the Company will remain closed from 8th August, 2021 to 14th August, 2021 (both days inclusive).
9. Shareholders 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. Shareholders 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. Shareholders holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form can submit their PAN details to LIPL.
10. Shareholders 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. Shareholders can contact the Company or LIPL for assistance in this regard.
11. Shareholders 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 shareholders after making requisite changes.
12. SEBI had vide Notification Nos. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018 and SEBI/LAD-NRO/GN/2018/49 dated 30th November 2018 read with BSE circular no. LIST/COMP/15/2018-19 dated 5th July 2018 directed that transfer of securities would be carried out in dematerialised form only with effect from 1st April 2019, except in case of transmission or transposition of securities. Accordingly, shareholders holding securities in physical form were separately communicated by the Registrar and Share Transfer Agent – M/s. Link Intime India Private Limited ("LIPL") at their registered address. In view of the above and to avail the benefits of dematerialisation, shareholders are requested to consider dematerialising shares held by them in physical form.
13. In case of joint holders attending the "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.

14. 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 during the meeting.
15. To support the 'Green Initiative', members who have not registered their e-mail addresses are requested to register the same with DPs LIPL.
16. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
17. The cut-off date for the purpose of remote e-voting and e-voting at the AGM shall be Saturday, 7th August, 2021. 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, i.e. Saturday, 7th August, 2021, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM.
18. Only those shareholders, who will be present at the AGM through VC / OAVM facility and who would not have cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
19. The Company has appointed Ms Priti Sheth of M/s. Priti J. Sheth & Associates, Company Secretaries, (Membership No. FCS 6833, C.P. No. 5518) and failing her Ms Rachana Maru of M/s. Priti J. Sheth & Associates, (Membership No. ACS - 41825, C.P. No. 16210) as the Scrutinizer to scrutinize remote e-voting or e-voting at the AGM in a fair and transparent manner

20. 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 e-voting at the AGM through electronic voting system.

21. The result of remote e-voting and e-voting at the AGM along with the Scrutinizer's Report shall be placed on the Company's website <http://www.irisbusiness.com> and on the website of NSDL <https://www.evoting.nsdl.com/> in due course. The Company shall be simultaneously forwarding the results to BSE Limited, where the shares of the Company are listed. The results shall be displayed on the notice board at the Registered Office of the Company.

22. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Wednesday, 11th August, 2021 at 09:00 a.m. and ends on Friday, 13th August, 2021 at 05:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Saturday, 7th August, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Saturday, 7th August, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





I. Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<div>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</div> <div>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</div> <div>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name</div>

	<div>or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</div> <div>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</div> <div>NSDL Mobile App is available on</div> <div> App Store</div> <div> Google Play</div> <div></div> <div></div>
Individual Shareholders holding securities in demat mode with CDSL	<div>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</div> <div>2. After successful login of Easi/ Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</div> <div>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</div> <div>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</div>

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?

(i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
- a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

II. Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

III. Attending the AGM through VC/OAVM:

a) Instructions for Shareholders for attending the AGM through VC/OAVM:

- i. Shareholders are being provided with a facility to attend the AGM through VC/ OAVM through the NSDL e-voting system. Shareholders may access the same at www.evoting.nsdl.com under “shareholders/ members” login by using the remote e-voting credentials.
- ii. The link for VC/ OAVM will be available in “shareholders/ members” login where the EVEN of Company will be displayed.
- iii. Shareholders who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned hereinabove in the Notice, to avoid last minute rush.
- iv. As mentioned above, the Shareholders can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the necessary procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 Shareholders on ‘first come first serve’ basis. Further, a facility will be provided to the Shareholders attending the meeting through VC/ OAVM, whereby they can pose questions concurrently, during the proceeding of the meeting.
- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request from 6th August, 2021 (9.00 a.m. IST) to 8th August, 2021 (5.00 p.m. IST) mentioning their name, demat account number/folio number, email id, mobile number at cs@irisbusiness.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries by 8th August, 2021 (5.00 p.m. IST) mentioning their name, demat account number/folio number, email id, mobile number at cs@irisbusiness.com. These queries will be replied to by the Company suitably by email.

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting

- vi. Please note that Shareholders connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches. Shareholders are also encouraged to join the Meeting through Laptops for better experience.
- vii. Further, Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance in the meeting.

- viii. Shareholders who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in or contact Ms Pallavi Mhatre, Manager, National Securities Depository Ltd., Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400 013, at the designated email address: evoting@nsdl.co.in who will also address the grievances connected with the voting by electronic means.
- ix. The Shareholders who are holding shares in dematerialized form and have not yet registered their e-mail IDs with their Depository Participant are requested to register their Email ID at the earliest, to enable the Company to use the same for serving documents to them electronically, hereafter. Shareholders holding shares in physical form may kindly provide their Email ID to the Registrar & Transfer Agent of the Company viz. Link Intime India Private Limited (“LIPL”), by sending an e-mail at rnt.helpdesk@linkintime.co.in. The support of the Shareholders for the ‘Green initiative’ is solicited.

b) INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

23. General Guidelines for shareholders

1. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pjsassociates@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option

available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or contact Ms Pallavi Mhatre, Manager, National Securities Depository Ltd., Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email address: pallavid@nsdl.co.in/ evoting@nsdl.co.in or at telephone no. +91 22 2499 4545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email address: cs@irisbusiness.com or contact at telephone no. 022-67231000.

24. Scrutinizer’s report and declaration of results

- a) The Scrutinizer shall, after the conclusion of e-voting at the AGM, first count the votes cast vide e-voting at the AGM and thereafter shall, unblock the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company. She shall be submitting a Consolidated Scrutinizer’s Report of the total votes cast in favour or against, not later than 48 (forty-eight) hours of the conclusion of the AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- b) The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.irisbusiness.com and on the website of NSDL i.e., www.evoting.nsdl.com. The Company shall simultaneously forward the results to BSE Limited where the shares of the Company are listed.
24. In terms of the provisions of Section 72 of the Act, the facility for making nomination is available for the Shareholders in respect of the shares held by them. Shareholders who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Shareholders holding shares in dematerialized form are requested to submit the said details to their Depository Participant(s) and the Shareholders holding shares in physical form, are requested to submit the said details to the Company or LIPL.
25. Shareholders are requested to quote their Folio No. or DP ID - Client ID, as the case may be, in all correspondence with the Company or the LIPL.
26. Since the AGM will be held through Video Conferencing or Other Audio Visual Means, route map of venue of the AGM and admission slip is not attached to this Notice.

27. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to the Company at cs@irisbusiness.com or the RTA at rnt.helpdesk@linkintime.co.in.
2. For Demat shareholders - Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to the Company at cs@irisbusiness.com or the RTA at rnt.helpdesk@linkintime.co.in. Alternatively shareholder/members may send a request to [HYPERLINK "mailto:evoting@nsdl.co.in"](mailto:evoting@nsdl.co.in) evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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 RE-APPOINTMENT UNDER ITEM NO. 2 OF THE NOTICE, ARE ALSO ANNEXED.

Item No. 2

Ms Deepta Rangarajan, (DIN: 00404072), Whole Time Director (“WTD”) of the Company is one of the founders of the Company. She was the WTD of the Company for a period of five years from 1st May, 2010. She was re-appointed as WTD 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. She was further re-appointed by the shareholders in the eighteenth AGM held on 31st August, 2018 for a period of 3 (three) years from 1st May, 2018 on the recommendation of the Board of Directors and the Nomination and Remuneration Committee of the Board at their meetings held on 25th April, 2018. She was further re-appointed by the shareholders of the Company on 3rd April, 2021 on the recommendation of the Board and the Nomination and Remuneration Committee of Board.

The Board of Directors recommends the ordinary resolution for approval of the members. Mr Swaminathan Subramaniam and Ms Deepta Rangarajan are interested in the resolution at Item No. 2, being husband and wife.

Other than Mr Swaminathan Subramaniam and Ms Deepta Rangarajan, 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. 2 of the Notice

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	54 years
(3)	DIN	00404072
(4)	Date of Birth	23.04.1966
(5)	Date of first appointment	03.10.2000
(6)	Shareholding in the company	14,46,052
(7)	Number of Board meeting(s) attended during the year 2020-21	8
(8)	Other Directorships/ membership of committee	Director in Atanou S.r.l.
	(Includes only Audit Committee and Stakeholders Relationship Committee)	No Committee membership in Audit / Stakeholders Relationship Committee of other Companies.
(9)	Qualification, brief resume and experience	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.
(10)	Expertise in specific functional areas	Mentioned above
(11)	Terms & Conditions of Appointment/ Re-appointment	Appointed as a Director liable to retire by rotation
(12)	Remuneration to be paid	Upto ₹45,00,000 per annum
(13)	Remuneration last drawn	₹30,00,000 per annum
(14)	Relationship with other Directors /KMP	Ms Deepta Rangarajan is wife of Mr Swaminathan Subramaniam, Whole Time Director and CEO of the Company.

Item No. 3

The Board of Directors (“Board”) upon recommendation of the Nomination and Remuneration Committee, appointed Mr Haseeb A. Drabu (DIN: 00489888), as an additional Director (Independent) of the company, not liable to retire by rotation, effective 13th November, 2020 till the commencement of the ensuing 21st 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 Haseeb A. Drabu will hold office till the commencement of the ensuing 21st Annual General Meeting (“AGM”) and is eligible to be appointed an Independent Director of the Company.

The Company has received from Mr Haseeb A. Drabu (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. Mr Drabu is also enrolled with databank of Independent Directors as per the applicable provisions of the Companies Act, 2013. 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 Haseeb A. Drabu as an Independent Director of the Company for a period of five years commencing from 13th November, 2020 up to 12th November, 2025. Mr Drabu, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr Drabu 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 Drabu 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 Haseeb A Drabu
(2)	Age	60 years
(3)	DIN	00489888
(4)	Date of Birth	10.04.1961
(5)	Date of first appointment	13.11.2020
(6)	Shareholding in the Company	Nil
(7)	Number of Board meeting(s) attended during the year 2020-21	5
(8)	Other Directorships/ membership of committee (Includes only Audit Committee and Stakeholders Relationship Committee)	Directorship: <ul style="list-style-type: none">- Kahnov E-Learning Private Limited- Kahnov Realty Private Limited- Air Works Livery Services Private Limited- Air Works MRO Services Private Limited- Air Works India (Engineering) Pvt Ltd- Aspira Pathlab & diagnostics Limited- IRIS Business Services Limited No Committee membership in Audit / Stakeholders Relationship Committee of other Companies.
(9)	Qualification, brief resume and experience	Haseeb A Drabu is professional economist with a diverse skill set and wide ranging experience. Involved with national economic policy making in India for seven years at the highest level, including in the Planning Commission, Finance Commission and the Economic Advisory Council of the Prime Minister Leveraging the national level experience, worked as the Economic Advisor, the principal economic policy maker at the state level for seven years. Chose to put policy into operations and headed a bank as Chairman and Chief executive for five years. In between government policy making and banking operations, headed India’s premier financial daily, Business Standard. Even as a regular commentator on economic issues, was associated with various governmental policy making bodies both at the Centre as well as the state level.
(10)	Expertise in specific functional areas	Economist
(11)	Terms & Conditions of Appointment/ Re-appointment	Appointed as an Independent Director not liable to retire by rotation
(12)	Remuneration	Except sitting fees for attending meetings of the Board and the Audit Committee no other remuneration is paid
(13)	Relationship with other Directors /KMP	None
(14)	Number of shares held in Company	Nil

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr Drabu, 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 at item no. 3 to be passed as ordinary resolution.

By order of the Board of Directors

Jay Mistry

Place: Navi Mumbai
Date: 22nd May, 2021

Company Secretary & Compliance Officer
(ACS 34264)

DIRECTORS’ REPORT

To

The Members,

Your Board of Directors (“Board”) is pleased to present the Twenty first Annual Report of your Company, IRIS Business Services Limited, for the financial year ended 31st March, 2021. 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, 2020 to 31st March, 2021 in respect of IRIS Business Services Limited (“IRIS”).

Particulars	(Amount in Rs.)			
	Standalone		Consolidated	
	F.Y. 2021	F.Y. 2020	F.Y. 2021	F.Y. 2020
Turnover	53,08,78,129	48,88,22,751	56,30,78,643	50,99,76,517
Other Income	27,81,885	55,96,049	28,69,126	57,61,423
Total Expenditure	50,56,87,973	47,85,19,720	54,40,22,967	51,03,03,331
Operating Profit (Loss)	2,79,72,041	1,58,99,080	2,19,24,802	54,34,609
Exceptional Items	-	-	-	-
Net Profit (Loss) before tax	2,79,72,041	1,58,99,080	2,19,24,802	54,34,609
Tax Expense:		-		-
Current Tax	-	-	-	-
Deferred Tax	(58,34,163)	4,32,287	(58,34,163)	4,32,287
Tax expense/(income) for earlier years	5,50,901	3,81,913	5,50,901	3,81,913
Profit (Loss) for the year	3,32,55,303	1,50,84,880	2,72,08,065	46,20,409

2. PERFORMANCE OF THE COMPANY

In the reporting year that also saw the Covid 19 pandemic sweeping across the globe, your Company was able to grow its revenues, contain expenses while improving the cash flows and the liquidity position. In this reporting year, your Company has also expanded its footprint in the European market with its enterprise reporting solution notching up a number of customers in the listed company space.

Highlights of our standalone financial results

Revenues:

Our total revenues in the fiscal year ended 31st March, 2021 were ₹53.37 cr, an increase of 7.95% over our total revenues of ₹49.44 cr in the fiscal year ended 31st March, 2020.

Our revenues from operation in the fiscal year ended 31st March, 2021 were ₹53.09 cr, an increase of 8.61% over our total revenues from operations of 48.88 cr in the fiscal year ended 31st March, 2020.

Our export revenues increased by 9.96% from ₹28.00 cr in fiscal year ended 31st March, 2020 to ₹30.79 cr in fiscal year ended March 31st,2021. Also, domestic revenues increased by 6.75% from ₹20.88 cr in fiscal year ended 2020 to ₹22.29 cr in fiscal year ended 2021.

Our revenues from “Collect” segment decreased by 22.14% from

₹27.91 cr in the fiscal year ended 31st March, 2020 to ₹21.73 cr in fiscal year ended 31st March, 2021.

Revenues from “Create” segment grew by 58.55% from ₹17.90 cr in the fiscal year ended 31st March, 2020 to ₹28.38 cr in the fiscal year ended 31st March, 2021 primarily due to expansion of IRIS Carbon in the European market apart from growth in the GST compliance business.

Revenues from “Consume” segment decreased by 3.26% from ₹3.07 cr in the fiscal year ended 31st March, 2020 to ₹2.97 cr in the fiscal year ended 31st March, 2021.

Other Income:

Our other income primarily comprises interest on bank deposits. Our other income in the fiscal year ended 31st March, 2021 were ₹0.28 cr as compared to ₹0.56 cr in the fiscal year ended 31st March, 2020.

Employee Costs:

Employee costs net of capitalized cost in the fiscal year ended 31st March, 2021 stood at ₹29.13 cr, an increase of 10.97% over our employee costs net of capitalized cost of ₹26.25 cr in the fiscal year ended 31st March, 2020. Employee costs relate to salaries and bonus paid to employees.

Finance Costs:

Finance costs in the fiscal year ended 31st March, 2021 were ₹1.68 cr, an increase of 9.00% from our finance costs of ₹1.54 cr in the fiscal year ended 31st March, 2020. Finance costs relate to interest and other borrowing costs paid by the Company on the credit facilities availed from the Banks/ Financial institutions of ₹1.29 cr and 1.54 cr for the year ended 31st March, 2021 and 31st March, 2020 respectively. Finance cost for the year ended 31st March 2021 also includes Loan foreclosure charges of ₹0.20 cr and Loan processing charges of ₹0.18 cr for the year ended 31st March, 2021 due to which there is an increase in the overall finance costs for the year ended 31st March, 2021.

Travel related expenses:

Our travel related expenses decreased by 77.46% from ₹2.84 cr for the fiscal year ended 31st March, 2020 to ₹0.64 cr for the fiscal year ended 31st March, 2021.

Other Expenses:

Our other expenses net of capitalized expenses decreased by 2.66 % from ₹13.89 cr for the fiscal year ended 31st March, 2020 to ₹13.52 cr for the fiscal year ended 31st March, 2021.

Depreciation and Amortization:

Our Depreciation and amortization charge was ₹6.23 cr and ₹6.16 cr for the year ended 31st March, 2021 and 31st March, 2020 respectively representing 11.74% and 12.61% of revenues from operations for the year ended 31st March, 2021 and 31st March, 2020 respectively.

Exceptional Items:

There were no exceptional items reported for the fiscal year ended 31st March, 2021.

Financial highlights of our consolidated financial results

Revenues:

Our total revenues in the fiscal year ended 31st March, 2021 were ₹56.59 cr, an increase of 9.73% over our total revenues of ₹51.57 cr in the fiscal year ended 31st March, 2020.

Our revenues from operation in the fiscal year ended 31st March, 2021 were ₹56.31 cr, an increase of 10.41% over our total revenues of ₹51 cr in the fiscal year ended 31st March, 2020.

Our export revenues increased by 13.05% from ₹30.11 cr in fiscal year ended 31st March, 2020 to 34.04 cr in fiscal year ended 31st March, 2021. Also, domestic revenues strengthened from ₹20.88 cr in fiscal year ended 31st March, 2020 to ₹22.27 cr in fiscal year ended 31st March, 2021.

Our revenues from “Collect” segment decreased from ₹29.30 cr in the fiscal year ended 31st March, 2020 to ₹23.94 cr in fiscal year ended 31st March, 2021.

Revenues from “Create” segment grew from ₹18.62 cr in the fiscal year ended 31st March, 2020 to ₹29.39 cr in the fiscal year ended 31st March, 2021 primarily due to expansion of IRIS Carbon in the European market apart from growth in the GST compliance business.

Revenues from “Consume” segment decreased from ₹3.07 cr in the fiscal year ended 31st March, 2020 to ₹2.97 cr in the fiscal year ended 31st March, 2021.

Other Income:

Our other income primarily comprises of interest on bank deposits. Our other income in the fiscal year ended 31st March, 2021 was ₹0.29 cr as compared to ₹0.58 cr in the fiscal year ended 31st March, 2020.

Employee Costs:

Employee costs net of capitalized cost in the fiscal year ended 31st March, 2021 stood at ₹31.21 cr, an increase of 9.97% over our employee costs net of capitalized cost of ₹28.38 cr in the fiscal year ended 31st March, 2020. Employee costs relate to salaries and incentive paid to employees.

Finance Costs:

Finance costs in the fiscal year ended 31st March, 2021 were ₹1.69 cr, an increase of 9.03% from our finance costs of ₹1.55 cr in the fiscal year ended 31st March, 2020. Finance costs relate to interest and other borrowing costs paid by the Company on the credit facilities availed from the Banks/ Financial institutions of ₹1.30 cr and 1.55 cr for the year ended 31st March, 2021 and 31st March, 2020 respectively. Finance cost for the year ended 31st March 2021 also includes Loan foreclosure charges of ₹0.20 cr and Loan processing charges of ₹0.18 cr for the year ended 31st March, 2021 due to which there is an increase in the overall finance costs for the year ended 31st March, 2021.

Travel related expenses:

Our travel related expenses decreased by 75.68% for the fiscal year ended 31st March, 2021 from ₹3.29 cr for 31st March, 2020 to ₹0.80 cr for the fiscal year ended 31st March, 2021.

Other Expenses:

Our other expenses net of capitalized expenses increased by 2.2% from ₹14.94 cr for the fiscal year ended 31st March, 2020 to ₹15.27 cr for the fiscal year ended 31st March, 2021.

Depreciation and Amortization:

Our depreciation and amortization charge was ₹6.24 cr and ₹6.16 cr for the year ended 31st March, 2021 and 31st March, 2020 respectively representing and 11.08% and 12.09% of revenues from operations for the year ended 31st March, 2021 and 31st March, 2020 respectively.

3. STATE OF COMPANY AFFAIRS

Your Company continues to execute its strategy to be a significant player in the Regtech market with a suite of IP driven software products and solutions built around structured data. Your Company is also one of the global leaders in reporting solutions built on the XBRL information standard. The Covid19 pandemic adversely affected the market for reporting platforms for regulators in the reporting year with many prospective customers slowing down the procurement process. On the other hand, your Company has been successful in posting substantial growth in our ‘Create’ business for enterprise reporting solutions, on the back of good response from European listed companies as well as demand for eInvoicing solutions in India that helped the GST solution business. The XBRL based reporting mandate by the Federal Energy Regulatory Commission, USA, is commencing in the current financial year and your Company has so far seen an encouraging response for its solution from US energy companies. Our presence in the global XBRL community continues to be strong both in terms of participation in working groups and in the effort to evangelize data standards in newer markets.

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 IEPF during the financial year ended 31st March, 2021.

6. CHANGE IN THE NATURE OF BUSINESS

There are no changes in the nature of business during the financial ended 31st March, 2021.

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

There were no material changes and commitment affecting financial position of the Company between end of the financial year to which these 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

Your Company operates in multiple markets that witness intense competition. Although we have built an enviable list of marquee

clients across our businesses, there exists a persistent need to spend both on marketing and enhancement of the product suite in order to establish presence and build market share.

While data standards and transition to digital reporting are forces that are undeniably shaping regulatory reporting mandates across the world, not all countries and regulators are on board. In many markets, there is still the tendency with customers to go for sub optimal custom-built solutions that impacts market potential for companies such as ours.

The COVID-19 pandemic has affected our business to a degree especially on the regulatory platform side, with respect to both client acquisition and the pace of implementation on existing awards. Even on the ‘Create’ segment, there has been some pushback on mandates that were supposed to come in 2020. Our current view is that, despite the second wave of the pandemic, there should be a revival of market conditions by the second half of the current financial year. On the flip side, a shift in work and vendor engagement habits towards the virtual environment that we now see in our clients, combined with our own successful transition to a ‘work from home’ mode have brought in efficiencies to the overall process which could further benefit your Company once demand conditions improve.

10. RISK MANAGEMENT

Your company is aware of the risks associated with the business. The company follows a method 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:

- Securing critical resources including capital and human resources;
- Ensuring cost competitiveness;
- Building product differentiation and the appropriate value proposition
- Maintaining and enhancing customer service standards.
- Identifying and introducing innovative marketing and branding activities especially in the digital media

11. DEPOSITS

The Company had not accepted any deposits during the financial year ended 31st March, 2021 nor there were any unpaid / unclaimed deposits at the financial year ended on 31st March, 2021. 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 as on 31st March, 2021:

1.

IRIS Business Services (Asia) Pte. Ltd., Singapore
2.

IRIS Business Services, LLC, United States of America
3.

Atanou S.r.l., Italy
4.

IRIS Logix Solutions Private Limited, India

The Company has not entered into any Joint Venture and doesn't have any Associate Company.

The financial statements pursuant to Section 129(3) of Companies Act, 2013 of all the above subsidiaries forms part of Annual Report.

As on the financial year ended March 31, 2021, none of the subsidiaries of the Company were a 'material subsidiary' within the meaning of Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

During the year, there was no change in the authorised share capital of the Company, however, there was an increase in the issued and paid-up share capital of the Company. The paid-up share capital of the Company increased from ₹18,87,91,620 divided into 1,88,79,162 equity shares of ₹10/- each to ₹18,92,31,620 divided into 1,89,23,162 equity shares of ₹10 each.

- 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, 2021.
- ii.

Issue of Sweat Equity Shares: The Company has not issued any Sweat Equity Shares during the financial year ended 31st March, 2021.
- iii.

Issue of Employee Stock Options: The shareholders of the Company approved IRIS Employee Stock Options Scheme, 2017 ("Scheme") 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. Pursuant to shareholders' approval, the Nomination and Remuneration Committee of the Board had granted Options to eligible employee(s) under the Scheme. Further, the shareholders of the Company granted their approval
- through Postal Ballot for ratification of the Scheme and for extension of benefits of the Scheme for the eligible employees of subsidiary Company(ies) of the Company. As per the application to BSE Limited, the Stock Exchange, the Company received an in-principal approval of the Stock Exchange dated 9th April, 2019 for 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. The Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. Further, there were no material change in the Scheme during the year. The details required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 are disclosed on Company's website at <http://www.irisbusiness.com/investors/disclosure>. During the year ended 31st March 2020, the Board of Directors of the Company approved IRIS Business Services Limited Employee Stock Option Scheme 2019' ("IRIS ESOS 2019" / "Scheme") covering up to 14,00,000 (Fourteen Lakh) Employee Stock Options to eligible employees of the Company, as determined in terms of IRIS ESOS 2019, in one or more tranches, exercisable in aggregate into not more than 14,00,000 (Fourteen Lakh) equity shares of face value of Rs.10/- each fully paid up. IRIS ESOS 2019 is subject to approval of shareholders of the Company.
- The Nomination and Remuneration Committee of the Board of the Company has approved the allotment of 44,000 equity shares of face value of ₹10/- each at issue price of ₹32 per share (including the premium of ₹22 each) on 30th March, 2021 to the applicant(s) who exercised their options under the IRIS Employee Stock Options Scheme, 2017.
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 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 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 under the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and disclosing their interest in form MBP-1. All the Directors have certified that the disqualifications mentioned under sections 164, 167 and 169 of the Companies Act, 2013 do not apply to
- them. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.
- The Board of the Company has taken the disclosures on record after verifying the due veracity of the same. In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfil the conditions of independence as specified in the Act and the SEBI Listing Regulations and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act. All the Independent Directors of the Company are also registered with the databank of Independent Directors as required under the provisions of the Companies Act, 2013.
- The Directors and the senior management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel.
17. DIRECTORS AND KEY MANAGERIAL PERSONNEL AND COMPOSITION OF BOARD
- During the financial year ended 31st March, 2021, Mr Haseeb A Drabu (DIN: 00489888) was appointed as an Independent Director of the Company on 13th November, 2020. Other than Mr Drabu's
- appointment as an Independent Director, there was no other change in the composition of the Board for the financial year ended 31st March, 2021. There was no change in the composition of any Committee of Board during the financial year ended 31st March, 2021. Further there was no change in the Key Managerial Personnel during the financial year ended 31st March, 2021. 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 twenty-first Annual General Meeting and being eligible has offered herself for re-appointment.
- 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 three years effective from 1st May, 2021 on the recommendation of the Nomination and Remuneration Committee at its meeting held on 1st March, 2021, which was duly approved by the shareholders of the Company through postal ballot on 3rd April, 2021.
- The composition of Board of Directors of the Company as on 31st March, 2021 is as follows:
- The composition of Board of Directors of the Company as on 31st March, 2021 is as follows:
- | Sr. No | Name of Director | DIN | Category | Period of Appointment |
|--------|-----------------------------|----------|--------------------------------------|---|
| 1. | Mr Swaminathan Subramaniam | 01185930 | Promoter, Whole Time Director & CEO | Period of 3 (three) years with effect from 1st May, 2021 |
| 2. | Mr Balachandran Krishnan | 00080055 | Promoter, Whole Time Director & CFO | Period of 3 (three) years with effect from 1st May, 2021 |
| 3. | Ms Deepta Rangarajan | 00404072 | Promoter, Whole Time Director | Period of 3 (three) years with effect from 1st May, 2021 |
| 4. | Mr Vinod Balmukand Agarwala | 01725158 | Independent Director | Five years commencing from 27th November, 2017 upto 26th November, 2022 |
| 5. | Mr Ashok Venkatramani | 02839145 | Independent Director | Five years commencing from 9th October, 2017 upto 8th October, 2022 |
| 6. | Mr Bhaswar Mukherjee | 01654539 | Independent Director | Five years commencing from 9th October, 2017 upto 8th October, 2022 |
| 7. | Mr Haseeb A. Drabu | 00489888 | Independent Director
(Additional) | Appointed for a tenure of five years from November 13, 2020 subject to approval of the shareholders of the Company at the ensuing Annual General Meeting. |
- Following are the Key Managerial Personnel of the Company as on 31st March, 2021:
- | Name | Designation |
|----------------------------|--|
| Mr Swaminathan Subramaniam | Whole Time Director & CEO |
| Mr Balachandran Krishnan | Whole Time Director & CFO |
| Ms Deepta Rangarajan | Whole Time Director |
| Mr Jay Mistry | Company Secretary & Compliance Officer |
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18. BOARD MEETING(S)

The Board met eight (8) times during the financial year ended 31st March, 2021. The meetings were held on 29th June, 2020, 14th August, 2020, 15th September, 2020, 13th November, 2020, 24th December, 2020, 14th January, 2021, 1st March, 2021 and 30th March, 2021. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

Attendance of Director(s) at meeting(s) during the financial year 2020-21:

Sr. No	Name of Director	Board meeting(s) attended
1.	Mr Vinod B. Agarwala (Chairman)	7
2.	Mr Bhaswar Mukherjee	8
3.	Mr Ashok Venkatramani	7
4.	Mr Swaminathan Subramaniam	6
5.	Mr Balachandran Krishnan	7
6.	Ms Deepta Rangarajan	8
7.	Mr Haseeb A. Drabu	5

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:

- (i)

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.
- (ii)

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.
- (iii)

Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (iv)

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.

(v)

Reviewing, with the management, the half yearly financial statements before submission to the board for approval.

(vi)

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.

(vii)

Review and monitor the auditor’s independence, performance and effectiveness of audit process.

(viii)

Approval or any subsequent modification of transactions of the company with related parties;

(ix)

Scrutiny of inter-corporate loans and investments;

(x)

Valuation of undertakings or assets of the company, wherever it is necessary;

(xi)

Evaluation of internal financial controls and risk management systems;

(xii)

Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

(xiii)

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.

(xiv)

Discussion with internal auditors any significant findings and follow up there on.

(xv)

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.

(xvi)

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.

(xvii)

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.

(xviii)

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.

(xix)

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.

(xx)

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.

(xxi)

To investigate any other matters referred to by the Board of Directors;

(xxii)

Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The Audit Committee met four (4) times during the financial year ended 31st March, 2021 on 29th June, 2020, 14th August, 2020, 13th November, 2020 and 1st March, 2021.
- The composition of the Audit Committee as on 31st March, 2021 is as follows:
- | Name of the Committee Member | Category | No. of meetings attended |
|---------------------------------|---------------------------|--------------------------|
| Mr Bhaswar Mukherjee (Chairman) | Independent Director | 4 |
| Mr Vinod Agarwala | Independent Director | 4 |
| Mr Ashok Venkatramani | Independent Director | 4 |
| Mr Balachandran Krishnan | Whole time Director & CFO | 4 |
- The recommendations made by the Audit Committee to the Board, from time to time during the year under review, have been accepted by the Board.
- II. NOMINATION AND REMUNERATION POLICY & 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
- (xxiii)

Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 cr or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (xxiv)

To review compliance with the provisions of regulations 9A and other applicable provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- 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; Internal audit reports relating to internal control weaknesses; and

d)

The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- 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.

Shall specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration
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- Committee or by an independent external agency and review its implementation and compliance.

4.

To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

5.

Devising a policy on Board diversity; and

6.

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.

7.

Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors.

8.

Recommend to the board, all remuneration, in whatever form, payable to senior management.

9.

Grant of options and allotment of shares under and in accordance with terms of Employee Stock Scheme(s) of the
- Company.

The Company had adopted a Nomination and Remuneration policy (Policy) in accordance with Section 178 of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy was amended by the Board at its meeting held on 23rd February, 2019 to align with the changes prescribed under SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. 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 four (4) times during the financial year ended 31st March, 2021. The meeting was held on 29th June, 2020, 13th November, 2020, 1st March, 2021 and 30th March, 2021. 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 31st March, 2021 is as follows:

Name of the Committee Member	Category	No. of meeting(s) attended
Mr Ashok Venkatramani (Chairman)	Independent Director	4
Mr Vinod Agarwala	Independent Director	4
Mr Bhaswar Mukherjee	Independent Director	4

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 meeting of the Committee was held during the financial year ended 31st March, 2021. The Composition of the Committee as on 31st March, 2021 is as follows:

Sr. No.	Name of the Member	Category
1	Mr Ashok Venkatramani (Chairman)	Independent 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. The Committee met three (3) times during the financial year ended 31st March, 2021. The meetings were held on 29th June, 2020, 13th November, 2020 and 1st March, 2021.

The terms of reference of the Committee are as follows:

- a.

To look into various aspects of interest of shareholders, debenture holders and other security holders.
- b.

Efficient transfer of shares; including review of cases for refusal

- of transfer / transmission of shares and debentures;
- c.

Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
- d.

Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- e.

Allotment and listing of shares;
- f.

Reference to statutory and regulatory authorities regarding investor grievances; and
- g.

To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- h.

Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of

- shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- i.

Review of measures taken for effective exercise of voting rights by shareholders.
- j.

Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- k.

Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- l.

Any other power specifically assigned by the Board of Directors of the Company

The Composition of the Committee as on 31st March, 2021 is as follows:

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

20. COMPLIANCE WITH SECRETARIAL STANDARD

During the period from 1st April, 2020 to 31st March, 2021, the Company complied with the Secretarial Standard – 1 and Secretarial Standard – 2, issued 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 as mentioned in Section 135 of the Companies Act, 2013.

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 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 www.irisbusiness.com.

22. RELATED PARTY TRANSACTIONS

The transactions entered into by the Company with related parties are on arm’s length basis and in the 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 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 the 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.

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors, pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the entire Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated after seeking inputs from the Committee members on the basis of criteria such as the composition of Committees, effectiveness of Committee meetings, etc. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January 2017.

A separate meeting of Independent Directors as required under Companies Act, 2013 was held on 30th March, 2021 to evaluate the performance of the Non-Independent Directors and Board as a whole.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In the Board meeting, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

Outcome of evaluation process: Based on inputs received from the members, it emerged that the Board has a good mix of competency, experience, qualifications and diversity. Each Board member contributed in his/her own manner to the collective wisdom of the Board, keeping in mind his/her own background and experience. There was active participation and adequate time was given for discussing strategy. Overall, the Board was functioning very well in a cohesive and interactive manner.

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

M/s. Khimji Kunverji & Co LLP, Chartered Accountants, (ICAI Firm Registration No. 105146W/W100621) were appointed as the Auditors of the Company by the shareholders of the Company at the Twentieth Annual General Meeting ("AGM") of the Company held on 14th August, 2020 to hold office till the conclusion of the Twenty-fifth AGM. The Auditors shall be eligible for re-appointment for maximum permissible tenure as the Auditors of your Company.

27. SECRETARIAL AUDITOR

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, M/s. Parikh & Associates, Practicing Company Secretary, Mumbai, were appointed as a Secretarial Auditors of the Company to conduct the Secretarial Audit of the Company for Financial Year 2020-21. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks or disclaimers. The report of the Secretarial Auditor is enclosed as Annexure - 8. The Secretarial Audit is not applicable to any of the subsidiary of the Company since none of the subsidiary of the Company is a material subsidiary as on the financial year ended 31st March, 2021 within the meaning of Regulation 16(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The provisions of the circular no. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India with respect to the Annual Secretarial Compliance Report is not applicable to the Company as the Company is listed on the SME Platform of BSE Limited, the Stock Exchange.

28. INTERNAL AUDITOR

In terms of Section 138 of the Companies Act, 2013 and Rules made there under, M/s. M.P. Chitale & Co., Chartered Accountants, Mumbai, were the Internal Auditor of the Company as on 31st March, 2021. During the year, the Company continued to implement its suggestions and recommendations to improve the control environment. Their scope of work included, 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 Auditors' Report on the Financial Statements (Standalone and Consolidated) of the Company for the year under review, "with an unmodified opinion", as given by the Statutory Auditors, is disclosed in the Financial Statements forming part of this Annual Report. The Auditors' Report is clean and there are no qualifications in their Report. Also, no frauds in terms of the provisions of Section 143(12) of the Act have been reported by the Statutory Auditors in their report for the year under review.

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 (Statutory Auditors and Secretarial Auditors) in their report.

31. ANNUAL RETURN

The Annual Return of the Company as on March 31, 2021 is available on the Company's website and can be accessed at https://www.irisbusiness.com/sites/default/files/Annual_Return_2020-21.pdf

The details forming part of the extract of the Annual Return in Form MGT - 9 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. 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 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.
- f. That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were 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 357 permanent employees as on 31st March, 2021 while the count was 341 as on 31st March, 2020.

35. CORPORATE GOVERNANCE

The Company being listed on the SME Platform of BSE Limited is exempted from the 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 provisions 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, Company has not received any complaint under the Policy for Prevention of Sexual Harassment of the Company.

37. WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company has Whistle Blower Policy /Vigil Mechanism Policy ("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. Functioning of the Policy is reviewed by the Audit Committee / Board on periodical basis. During the financial year ended 31st March, 2021, the Company has not received any complaint under the Whistle Blower Policy of the Company.

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 2020-21. The declaration to this effect is enclosed to this report as 'Annexure 10'.

39. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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.

ANNEXURE - 1

FORM AOC- 1

(Pursuant to first provision to sub-section (3) of section129 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 Rs.)

Sr. No.	1	2	3	4
Name of the subsidiary	IRIS Business Services LLC	IRIS Business Services (Asia) Pte. Ltd.	Atanou S.r.l.	IRIS Logix Solutions Private Limited
The date since when subsidiary was acquired	26.02.2010	07.07.2010	31.07.2015	13.12.2019
Reporting period for the subsidiary concerned, if different from the holding company's reporting period. (start and end of accounting period)	01.04.2020 to 31.03.2021	01.04.2020 to 31.03.2021	01.04.2020 to 31.03.2021	01.04.2020 to 31.03.2021
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 73.50, P & L 74.27	SGD Exchange Rate used ₹ Per unit for foreign currency BS 54.43 P& L 54.37	EURO Exchange Rate used ₹ Per unit for foreign currency BS 86.10 P&L 86.67	INR
Share capital	1,45,39,880	1,13,82,041	7,12,000	10,00,000
Reserves and surplus	(2,77,30,242)	(88,14,667)	(5,67,162)	(3,22,817)
Total assets	89,22,331	1,84,19,577	9,32,788	14,28,012
Total Liabilities	2,21,12,672	1,58,52,203	7,87,950	15,42,552
Investments	-	-	-	-
Turnover	103,11,823	3,33,59,304	-	9,39,753
Profit before taxation	(75,10,402)	23,76,339	(7,65,428)	3,343
Provision for taxation	-	-	-	-
Profit after taxation	(75,10,402)	23,76,339	(7,65,428)	3,343
Proposed Dividend	-	-	-	-
Extent of shareholding (in percentage)	100%	98.36%	100%	76%

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

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

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
Date : 22nd May, 2021

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/investors/policies>

- 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 Independent Director

• Vigil Mechanism Policy
- Code of Conduct to Regulate, Monitor and Report Trading by insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

- Policy for Procedure of Inquiry in Case of Leak of Unpublished Price Sensitive Information ("UPSI")

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, clients, bankers and all other business associates. We look forward to continued support of all these partners in progress.

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

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
Date : 22nd May, 2021

ANNEXURE - 2

Details of IRIS Employees Stock Option Scheme, 2017

Date of shareholders' approval	13th 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;	7,00,000
(b) options vested;	4,47,000
(c) options exercised;	44,000
(d) the total number of shares arising as a result of exercise of option;	44,000
(e) options lapsed / cancelled;	2,06,000
(f) the exercise price;	₹32/- per Option
(g) variation of terms of options;	N.A.
(h) money realized by exercise of options;	₹14,08,000
(i) total number of options in force;	4,50,000
(j) employee wise details of options granted to:—	N.A.
(i) senior managerial personnel/ key managerial personnel.	Refer Table -1 below
(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.	N.A.
(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.	

A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	Please refer Note 20 to the Standalone financials of the Company
(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 20 to the Standalone financials of the Company
(b) the method used and the assumptions made to incorporate the effects of expected early exercise;	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.
(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	N.A.
(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	

Option movement during the year (For each ESOS)

Particulars	Details
Number of options outstanding at the beginning of the period	5,47,000
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	53,000
Number of options vested during the year (excluding lapsed options which were vested, due to resignation of employee)	
Number of options exercised during the year	44000
Number of shares arising as a result of exercise of options	44000
Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹14,08,000
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	4,50,000
Number of options exercisable at the end of the year	4,47,000

Table – 1*

Sr.	Name	Designation	Exercise Price (Rs.)	Options Granted
1	Arup Ganguly	Head Sales	32	40,000
2	Rahul Dhamne	Head Consulting		40,000
3	Gautam Mahanti	Vice President - Enterprise Reporting		50,000

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

Swaminathan Subramaniam <i>Whole Time Director & CEO</i> DIN: 01185930	Deepta Rangarajan <i>Whole Time Director</i> DIN: 00404072	Balachandran Krishnan <i>Whole Time Director & CFO</i> DIN: 00080055
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Place: Navi Mumbai
Date : 22nd May, 2021

ANNEXURE - 3

Nomination and Remuneration Policy

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. This Policy was revised by the Board of Directors of the Company at its meeting held on 23rd February, 2019 pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

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. This Policy was further revised by the Board of Directors of the Company at its meeting held on 23rd February, 2019

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

- a) ‘Board’ means Board of Directors of the Company.
- b) ‘Directors’ means Directors of the Company.
- c) ‘Committee’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- d) ‘Company’ means IRIS Business Services Limited.
- e) ‘Independent Director’ means a director referred to in Section 149 (6) of the Companies Act, 2013.
- f) ‘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.
- g) “Senior Management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

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:

- o Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- o 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.
- o Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- o Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- o Recommend to the board, all remuneration, in whatever form, payable to senior management.

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.
 - The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

EVALUATION:

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

The evaluation of independent directors shall be done by the entire board of directors which shall include –

- (a) performance of the directors; and
- (b) fulfillment of the independence criteria as specified in these regulations and their independence from the management:

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:

Name of the Committee Member	Category
Mr Ashok Venkatramani (Chairman)	Non-Executive, Independent Director
Ms Deepta Rangarajan	Whole time Director
Mr Swaminathan Subramaniam	Whole time Director & CEO
3.

AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS

The average net loss (before tax) of the company for last three financial years is ₹(28027795.30)/-
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.

a.

Total amount to be spent for the financial year - N.A. (refer point no. 6)

b.

Amount unspent, if any - N.A. (refer point no. 6)

c.

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, if any, 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 spent on the projects or programs Sub head: (1) Direct expenditure on project or programs (2) Overheads During the F.Y. 2020-21	Cummulat ive expenditure upto the reporting period	Amount spend: Direct or through implementing agency
The company has on a voluntary basis made contribution in activities in education and research initiatives to be undertaken through IRIS Knowledge Foundation (“IKF”), a company incorporated under Section 25 of the Companies Act 1956 and which has an established track record of more than three years in activities related to promotion of education related initiatives in the area of social sciences. IKF’s flagship	Promotion of education related initiatives in the area of social sciences	–	–	–	₹3.50 Lakh	Through implementing agency
Offering http://www.esocialsciences.org is a one stop portal for social scientists						

(c) Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

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:

4. 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.

5. 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.

6. 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.

6. REASONS FOR NOT SPENDING THE FULL AMOUNT OF CSR:

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 2017-18, 2018-19 and 2019-20. Hence the above disclosures have been made by the company on a voluntary 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 Board of Directors of IRIS Business Services Limited

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
Date : 22nd May, 2021

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.	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	IRIS Logix Solutions Private Limited		
2.	Nature of contracts / arrangements / transaction	Provide Computer Software and XBRL Services	Availing / Providing marketing support services for building business in United States	Rental Income / Provide technology supported services	Donation	Providing software product & related services along with marketing support	Avail marketing, support services for building business	Provide Computer Software services.	Providing service of software development/ Providing infrastructure hosting service
3.	Duration of the transaction				Financial Year 2020-21				
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Ordinary Course of Business and on Arm's length basis.	Ordinary Course of Business and on Arm's length basis.	Ordinary Course of Business and on Arm's length basis.	Ordinary Course of Business and on Arm's length basis.	Ordinary Course of Business and on Arm's length basis.	Ordinary Course of Business and on Arm's length basis.	Ordinary Course of Business and on Arm's length basis.	Ordinary Course of Business and on Arm's length basis.
5.	Value of transaction(Rs.)	Nil	Nil	Nil	Nil	80,80,884	97,39,310	5,48,821	11,81,306
6.	Investment in the Subsidiary (Rs.)	Nil	Nil			Nil			Nil
7.	Date of approval by the Board	Not applicable as the transactions entered into are at arm’s length price and are in the ordinary course of business as provided under Section 188(1) of the Companies Act, 2013.							
8.	Amount paid as advances, if any	Nil							

There were no material related party transactions during the financial year 2020-21 with related parties.

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

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
Date : 22nd May, 2021

ANNEXURE - 6

DETAILS OF THE REMUNERATION OF DIRECTORS, KMP 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, Chief Executive Officer and Company Secretary during the Financial Year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2020-21 are as under:

Sr. No.	Name of Director / Key Managerial Personnel (KMP) and Designation	Remuneration of Director/ KMP for Financial Year 2020-21 Rs.) @	% increase in Remuneration in the Financial Year 2020-21	Ratio of Remuneration of each Director to median remuneration of employees*
1	Mr Swaminathan Subramaniam, Whole Time Director & CEO	30,00,000	0	4.89: 1
2	Ms Deepta Rangarajan, Whole Time Director	30,00,000	0	4.89: 1
3	Mr Balachandran Krishnan, Whole Time Director & CFO	30,00,000	0	4.89: 1
4	Mr Jay Mistry, Company Secretary & Compliance Officer	12,97,440	8	2.11: 1

* The Independent Directors of the Company viz. Mr Vinod Agarwala, Mr Ashok Venkatramani, Mr Bhaswar Mukherjee and Mr Haseeb Drabu are not entitled to any remuneration other than sitting fees for attending the meetings of the Board and Audit Committee. Hence ratio of their sitting fees to median remuneration of employee is not comparable. The details of sitting fees paid to the Independent Directors is provided in the extract of the Annual Return, which is annexed as Annexure 9 to the Directors Report. The ratio of remuneration (sitting fees) of Independent Directors to median remuneration of employees is as follows:

Mr Ashok Venkatramani (0.45: 1), Mr Bhaswar Mukherjee (0.49: 1), Mr Vinod Agarwala (0.45 : 1), Mr. Haseeb Drabu (0.20 : 1)

@ There was no increase in remuneration of Independent Directors during the financial year, they are entitled for sitting fees in proportion to number of meeting(s) attended by them.

- 2) The median remuneration of employees of the Company for the Financial Year 2020-21 was ₹6.14 Lakh (as on 31st March 2021). For the financial year ended 2020-21, the median remuneration of employees was 6.67 % higher compared to previous year.

3) There were 357 permanent employees on the Payroll of the Company as on 31st March 2021 as compared to 341 employees as on 31st March, 2020.

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 10%. There was no increase in the managerial remuneration during the financial year other than that of Company Secretary.
- 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 Board of Directors of IRIS Business Services Limited

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
Date : 22nd May, 2021

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 alternates 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 primarily uses cloud based technologies and a virtualized environment for internal development activities.

(b)

The company's key products IRIS Carbon® and IRISGST are on cloud based technologies. There is also focus on adopting mobile technologies starting with the GST compliance offering. A mobile app, IRIS Peridot, enabling counterparty compliance check and GSTIN verification, is very popular. The company is now working with the data standard, SDMX (Statistical Data and Metadata Exchange) which is an international initiative supported by institutions such as the Bank for International Settlements (BIS), the World Bank and the IMF. The company is also increasingly looking at AI based technologies to enhance our product suite, especially in the 'Create' segment.

- 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. Investment in SDMX technologies will help the company to expand its array of offerings.
- 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 IRIS OYNX Platform during the year 2020-21: ₹51,40,984. As a percentage of total revenue: 0.91%

(C) Foreign exchange earnings and outgo

- i.

The Earnings in foreign Exchange during the financial year 2020-21: ₹30,50,77,860/-
- ii.

The outgo in foreign exchange during the financial year 2020-21: ₹3,67,61,862/-

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

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
Date : 22nd May, 2021

ANNEXURE - 8

FORM No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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.

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 to the extent 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 and considering the relaxations granted by The Ministry of Corporate Affairs and The Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2021, 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, 2021 according to the applicable 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, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)

(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, 2018; (Not applicable to the Company during the audit period)

(vi)

Other laws applicable specifically to the Company namely:-

1.

The Company is registered as a N-STPI unit with Software Technology Parks of India (STPI), a society set up by the Ministry of Electronics & Information Technology (MeitY), Government of India. STPI is statutory body.

2.

Information Technology Act, 2000

3.

Trademarks Act, 1999

4.

Patents Act, 1970 as amended from time to time.

5.

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.
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‘ANNEXURE A’

(ii) The Listing Agreements entered into by the Company with BSE Limited 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 carried out in compliance with the provisions of the Act.

Notice, agenda and detailed notes on agenda was given to all directors to schedule the Board Meetings 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 etc.

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

- a. The Board of Directors of the Company have approved migration of equity shares of the Company from SME Platform of BSE Limited to the Main Boards of BSE Limited and National Stock Exchange of India Limited subject to approval of the shareholders of the Company and other applicable Statutory / Regulatory approvals.

For **Parikh & Associates**

Company Secretaries

Signature:

Sarvari Shah

Partner

FCS No: 9697 CP No: 11717

UDIN : F009697C000357781

Place: Mumbai

Date: 22nd May 2021

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.

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

Signature:

Sarvari Shah

Partner

FCS No: 9697 CP No: 11717

UDIN : F009697C000357781

Place: Mumbai

Date: 22nd May 2021

ANNEXURE - 9

FORM No. MGT 9
EXTRACT OF ANNUAL RETURN
AS ON 31.03.2021

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	: L72900MH2000PLC128943
2	Registration	: 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, 3rd Floor, International Infotech Park, Vashi - 400 703, Navi Mumbai, Maharashtra, India Tel.: +91-22-6730 1000 Fax: +91 22 2781 4434 E-mail: cs@irisbusiness.com Website: www.irisbusiness.com
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-10I, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, 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 (Address: #07-08 Jit Poh Building, 19 Keppel Road, Singapore - 089058.)	Company No. – 201001057Z	Subsidiary	98.36%	2(87)
2	IRIS Business Services LLC (Address: 111, Presidential Boulevard, Suite 246, Bala Cynwyd, PA 19004, USA)	-	Subsidiary	100%	2(87)
3	Atanou S.r.l. (Address Via V, Ulrico Hoeplin 3 Cap 20121 Milano)	Company Registration No. 2073449	Subsidiary	100%	2(87)
4	IRIS Logix Solutions Private Limited (Address - T-231, Tower 2, 3rd Floor, International Infotech Park, Vashi-400703, Navi Mumbai, Maharashtra, India)	U72900MH2019PTC334459	Subsidiary	76%	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-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	73,22,220	-	73,22,220	38.78	73,22,220	-	73,22,220	38.69%	(- 0.09%)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	73,22,220	-	73,22,220	38.78%	73,22,220	-	73,22,220	38.69%	(- 0.09%)
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other (specify)	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	73,22,220	-	73,22,220	38.78%	73,22,220	-	73,22,220	38.69%	(- 0.09%)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	0.00%	-
b) Banks / FI	4,000	-	4,000	0.02%	4,000	-	0	0.00%	(- 0.02%)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	4,000	-	4,000	0.02%	4,000	-	0	0.00%	(-0.02%)
2. Non-Institutions-									
a) Bodies Corp.									
i) Indian	52,98,815	4,82,780	57,81,595	30.62%	54,22,638	4,82,780	59,05,418	31.21%	0.58%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									

i)	Individual shareholders holding nominal share capital upto ₹1 Lakh	10,99,849	45,450	11,45,299	6.07%	10,79,547	43,350	11,66,897	6.17%	0.10%
ii)	Individual shareholders holding nominal share capital in excess of ₹1 Lakh	39,42,428	1,39,620	40,82,048	21.62%	38,19,637	1,39,620	39,59,257	20.92%	(-0.70%)
c)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
d)	Others (specify)	-	-	-	-	-	-	-	-	-
	HUF	3,64,000	-	3,64,000	1.93%	3,69,370	-	3,69,370	1.95%	0.02%
	Non-Resident Indians	1,72,000	-	1,72,000	0.91%	1,08,000	-	1,08,000	0.57%	(-0.34%)
	Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	Foreign Nationals	-	-	-	-	-	-	-	-	-
	Clearing Members	-	-	-	-	84,000	-	84,000	0.44%	0.44%
	Trusts	8,000	-	8,000	0.04%	8,000	-	8,000	0.04%	-(0.0001%)
	Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
	Sub-total (B)(2):-	1,08,85,092	6,67,850	1,15,52,942	61.19%	1,08,91,192	6,65,750	1,16,00,942	61.31%	0.11%
	Total Public (B)	1,08,89,092	6,67,850	1,15,56,942	61.22%	1,08,91,192	6,65,750	1,16,00,942	61.31%	0.09%
	C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	1,82,11,312	6,67,850	1,88,79,162	100%	1,82,13,412	6,65,750	1,89,23,162	100	0.00

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01-Apr-2020)			Shareholding at the end of the year (31-March-2021)			% 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	47,72,168	25.28%	7.74%	47,72,168	25.22%	7.74%	(0.06)
2	Deepta Rangarajan	14,46,052	7.66%	2.30%	14,46,052	7.64%	2.30%	(0.02)
3	Balachandran Krishnan	11,04,000	5.85%	1.75%	11,04,000	5.83%	1.75%	(0.01)
	Total	73,22,220	38.78%	11.79%	73,22,220	38.69%	11.79%	(0.09)

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

SN	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-20		47,72,168	25.28%	47,72,168	25.28%
	Changes during the year		-	-	-	-	
	At the end of the year	31-Mar-21		-	-	47,72,168	25.22%
2	Deepta Rangarajan, Promoter, Whole Time Director						
	At the beginning of the year	01-Apr-20		14,46,052	7.66%	14,46,052	7.66%
	Changes during the year		-	-	-	-	
	At the end of the year	31-Mar-21		-	-	14,46,052	7.64%
3	Balachandran Krishnan, Promoter, Whole Time Director & CFO						
	At the beginning of the year	01-Apr-20		11,04,000	5.85%	11,04,000	5.85%
	Changes during the year		-	-	-	-	-
	At the end of the year	31-Mar-21		-	-	11,04,000	5.83%

(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-20		39,07,598	20.70	39,07,598	20.70
	Changes during the year	31-Jul-20	Sale	39,07,597		1	0
		14-Aug-20	Sale	1		0	0
	At the end of the year	31-Mar-21				0	0
2	Madhuri Kela						
	At the beginning of the year	01-Apr-20		10,72,000	5.68%	10,72,000	5.68%
	Changes during the year		-	-	-	-	-
	At the end of the year	31-Mar-21		-	-	10,72,000	5.67%
3	Millennium Developers Pvt. Ltd.						
	At the beginning of the year	01-Apr-20		5,40,000	2.86%	5,40,000	2.86%
	Changes during the year		-	-	-	-	-
	At the end of the yea	31-Mar-21		-	-	5,40,000	2.85%
4	Valuable Infrastructure Pvt. Ltd.						
	At the beginning of the year	01-Apr-20		4,68,320	2.48%	4,68,320	2.48%
	Changes during the year		-	-	-	-	-

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
5	At the end of the year	31-Mar-21		4,68,320	2.47%	4,68,320	2.47%
	RAJENDRAN V						
	At the beginning of the year	01-Apr-20		4,12,000	2.18%	4,12,000	2.18%
	Changes during the year	17-Apr-20	Purchase	20,000		4,32,000	2.28%
		24-Apr-20	Purchase	20,000		4,52,000	2.39%
		19-Jun-20	Sale	4,000		4,48,000	2.37%
		26-Jun-20	Sale	16,000		4,32,000	2.29%
		30-Jun-20	Sale	4,000		4,28,000	2.27%
		17-Jul-20	Purchase	4,000		4,32,000	2.29%
		24-Jul-20	Sale	4,000		4,28,000	2.27%
		31-Jul-20	Sale	60,000		3,68,000	1.95%
		07-Aug-20	Sale	4,000		3,64,000	1.93%
		14-Aug-20	Sale	8,000		3,56,000	1.89%
		04-Dec-21	Purchase	1,12,000		4,68,000	2.48%
		29-Jan-20	Sale	8,000		4,60,000	2.44%
		05-Mar-21	Sale	1,20,000		3,40,000	1.80%
		12-Mar-21	Sale	20,000		3,20,000	1.70%
6		19-Mar-21	Sale	4,000		3,16,000	1.67%
		26-Mar-21	Sale	1,58,000		1,58,000	0.84%
	At the end of the year	31-Mar-21		-	-	0	0
	Mr Vijay Gupta						
	At the beginning of the year	01-Apr-20		3,00,586	1.59%	3,00,586	1.59%
	Changes during the year	-		-	-	-	-
	At the end of the year	31-Mar-21		-	-	3,00,586	1.58%
	IRIS Employee Wellness LLP						
	At the beginning of the year	01-Apr-20		2,48,620	1.32%	2,48,620	1.32%
	Changes during the year	-		-	-	-	-
	At the end of the year	31-Mar-21		-	-	2,48,620	1.31%
	Capstocks & Securities (Inida) Pvt LTD						
	At the beginning of the year	01-Apr-20		20,000	0.11%	20,000	0.10%
	Changes during the year	05-Jun-20	Sale	12,000		8,000	0.04%
		12-Jun-20	Sale	4,000		4,000	0.02%
		31-Jul-20	Purchase	16,000		20,000	0.11%
		28-Aug-20	Sale	12,000		8,000	0.04%
8		04-Sep-20	Purchase	20,000		28,000	0.15%
		18-Sep-20	Purchase	8,000		36,000	0.19%
		25-Sep-20	Sale	8,000		28,000	0.15%
		30-Sep-20	Purchase	32,000		60,000	0.32%
		09-Oct-20	Purchase	4,000		64,000	0.34%
		16-Oct-20	Purchase	4,000		68,000	0.36%
		30-Oct-20	Purchase	4,000		72,000	0.38%
		13-Nov-20	Purchase	16,000		88,000	0.47%
		20-Nov-20	Purchase	8,000		96,000	0.51%
		27-Nov-20	Purchase	16,000		1,12,000	0.59%
		11-Dec-20	Sale	96,000		16,000	0.08%

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
		31-Dec-20	Purchase	16,000		32,000	0.17%
		08-Jan-21	Sale	16,000		16,000	0.08%
		15-Jan-21	Sale	4,000		12,000	0.06%
		22-Jan-21	Purchase	8,000		20,000	0.11%
		05-Feb-21	Sale	12,000		8,000	0.04%
		26-Mar-21	Purchase	1,50,000		1,58,000	0.84%
		31-Mar-21	Purchase	1,58,000		3,16,000	1.67%
	At the end of the year	31-Mar-21		-	-	3,16,000	1.67%
	9 Shailesh Gupta						
	At the beginning of the year	01-Apr-20		1,86,256	0.99%	1,86,256	0.99%
		31-Dec-20	Sale	4,000		1,82,256	0.97%
		08-Jan-21	Sale	4,000		1,78,256	0.94%
	At the end of the year	31-Mar-21		-	-	1,78,256	0.94%
	10 KOUSHIK SEKHAR						
	At the beginning of the year	01-Apr-20		1,80,000	0.95%	1,80,000	0.95%
	Changes during the year	12-Feb-21	Purchase	8,000		1,88,000	1.00%
		19-Feb-21	Purchase	4,000		1,92,000	1.02%
		05-Mar-21	Purchase	16,000		2,08,000	1.12%
	At the end of the year	31-Mar-21		-	-	2,08,000	1.10%
	11 ASIT C. MEHTA INVESTMENT INTERMEDIATES LIMITED						
	At the beginning of the year	01-Apr-20		1,72,600	0.91%	1,72,600	0.91%
	Changes during the year	24-Apr-20	Purchase	4,000		1,76,600	0.94%
		08-May-20	Purchase	4,000		1,80,600	0.96%
		22-May-20	Purchase	4,000		1,84,600	0.98%
		29-May-20	Purchase	8000		1,92,600	1.02%
		05-Jun-20	Sale	12,000		1,80,600	0.96%
		12-Jun-20	Sale	4000		1,76,600	0.94%
		03-Jul-20	Purchase	12,000		1,88,600	1.00%
		24-Jul-20	Sale	4,000		1,84,600	0.98%
		31-Jul-20	Sale	8,000		1,76,600	0.94%
		07-Aug-20	Sale	12,000		1,64,600	0.87%
		14-Aug-20	Purchase	4,000		1,68,600	0.89%
		21-Aug-20	Purchase	12,000		1,80,600	0.96%
		28-Aug-20	Sale	4,000		1,76,600	0.94%
		04-Sep-20	Sale	4,000		1,80,600	0.96%
		30-Sep-20	Sale	4,000		1,76,600	0.94%
		02-Oct-20	Purchase	4,000		1,80,600	0.96%
		16-Oct-20	Sale	4,000		1,76,600	0.94%
		13-Nov-20	Sale	4,000		1,72,600	0.91%
	At the end of the year	31-Mar-21		-	-	1,72,600	0.91%
	12 KOTAK MAHINDRA TRUSTEESHIP SERVICES LIMITED						
	At the beginning of the year	01-Apr-20		0	0	0	0
	Changes during the year	31-Jul-20	Purchase	456407		456407	2.42%
		14-Aug-20	Purchase	1		456408	2.42%
	At the end of the year	31-Mar-21		-	-	456408	2.41%

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
13	KOTAK MAHINDRA TRUSTEESHIP SERVICES LIMITED						
	At the beginning of the year	01-Apr-20		0	0	0	0
	Changes during the year	31-Jul-20	Purchase	3,77,083	-	3,77,083	2.00%
	At the end of the year	31-Mar-21		-	-	3,77,083	2.00%
14	KHAZANA TRADELINKS PVT LTD						
	At the beginning of the year	01-Apr-20		0	0	0	0
	Changes during the year	31-Jul-20	Purchase	6,92,817	-	6,92,817	3.67%
	At the end of the year	31-Mar-21		-	-	6,92,817	3.66%
15	SUBHKAM VENTURES I PVT LTD						
	At the beginning of the year	01-Apr-20		0	0	0	0
	Changes during the year	31-Jul-20	Purchase	10,18,711	-	10,18,711	5.40%
	At the end of the year	31-Mar-21		-	-	10,18,711	5.38%
16	FLOWERS VALLEY PRIVATE LIMITED						
	At the beginning of the year	01-Apr-20		0	0	0	0
	Changes during the year	31-Jul-20	Purchase	12,28,940	-	12,28,940	6.51%
	At the end of the year	31-Mar-21		-	-	12,28,940	6.49%

Notes:

1. Paid up Share Capital of the Company (Face Value ₹10.00) at the end of the year is 1,89,23,162 shares of ₹10/- each face value.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid-up Capital of the Company at the end of the Year.

(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-20		47,72,168	25.28%	47,72,168	25.28%
	Changes during the year		-	-	-	-	-
	At the end of the year	31-Mar-21		-	-	47,72,168	25.22%
2	Mr Balachandran Krishnan, Whole Time Director & CFO						
	At the beginning of the year	01-Apr-20		11,04,000	5.85%	11,04,000	5.85%
	Changes during the year		-	-	-	-	-
	At the end of the year	31-Mar-21		-	-	11,04,000	5.83%
3	Ms Deepta Rangarajan, Whole Time Director						
	At the beginning of the year	01-Apr-20		14,46,052	7.66%	14,46,052	7.66%
	Changes during the year		-	-	-	-	-
	At the end of the year	31-Mar-21		-	-	14,46,052	7.64%

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
4	Mr Ashok Venkatramani						
	At the beginning of the year	01-Apr-20		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-21		-	0.00%	-	0.00%
5	Mr Bhaswar Mukherjee						
	At the beginning of the year	01-Apr-20		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-21		-	0.00%	-	0.00%
6	Mr Vinod Agarwala						
	At the beginning of the year	01-Apr-20		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-21		-	0.00%	-	0.00%
7.	Mr Haseeb Drabu						
	At the beginning of the year	01-Apr-20		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-21		-	0.00%	-	0.00%
8.	Mr Jay Mistry, Company Secretary						
	At the beginning of the year	01-Apr-20		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-21		-	0.00%	-	0.00%

V. INDEBTEDNESS (Amount in Rs.)

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,16,92,645			5,16,92,645
ii) Interest due but not paid				
iii) Interest accrued but not due	4,73,278			4,73,278
Total (i+ii+iii)	5,21,65,923			5,21,65,923
Change in Indebtedness during the financial year				
* Addition				
* Reduction	(5,21,65,923)			(5,21,65,923)
Net Change	(5,21,65,923)			(5,21,65,923)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr Balachandran Krishnan,	Ms Deepta Rangarajan,	Mr Swaminathan Subramaniam	
	Name	Whole-time Director & CFO	Whole-time Director	Whole-time Director & CEO	(Rs.)
	Designation				
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,00,000	30,00,000	30,00,000	90,00,000
	(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)	-	-	-	-
	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

SN.	Particulars of Remuneration	Name of Directors				Total Amount (in Rs.)
		Mr Ashok Venkatramani	Mr Bhaswar Mukherjee	Mr Vinod Agarwala	Mr Haseeb Drabu	
1	Independent Directors					
	Fee for attending board and committee meetings	2,75,000	3,00,000	2,75,000	1,25,000	9,75,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	2,75,000	3,00,000	2,75,000	1,25,000	9,75,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	2,75,000	3,00,000	2,75,000	1,25,000	9,75,000
	Total Managerial Remuneration	2,75,000	3,00,000	2,75,000	1,25,000	9,75,000
	Overall Ceiling as per the Act	-	-	-	-	-

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel	Total Amount
		Mr Jay Mistry	(Rs.)
	Name	Company Secretary	
	Designation		
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,97,440	12,97,440
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total	12,97,440	12,97,440

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 Punishment Compounding			NIL		
B. DIRECTORS Penalty Punishment Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			NIL		

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

Date: 22nd May 2021 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:0008005)
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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, 2021, 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: 22nd May, 2021

Place: Navi Mumbai

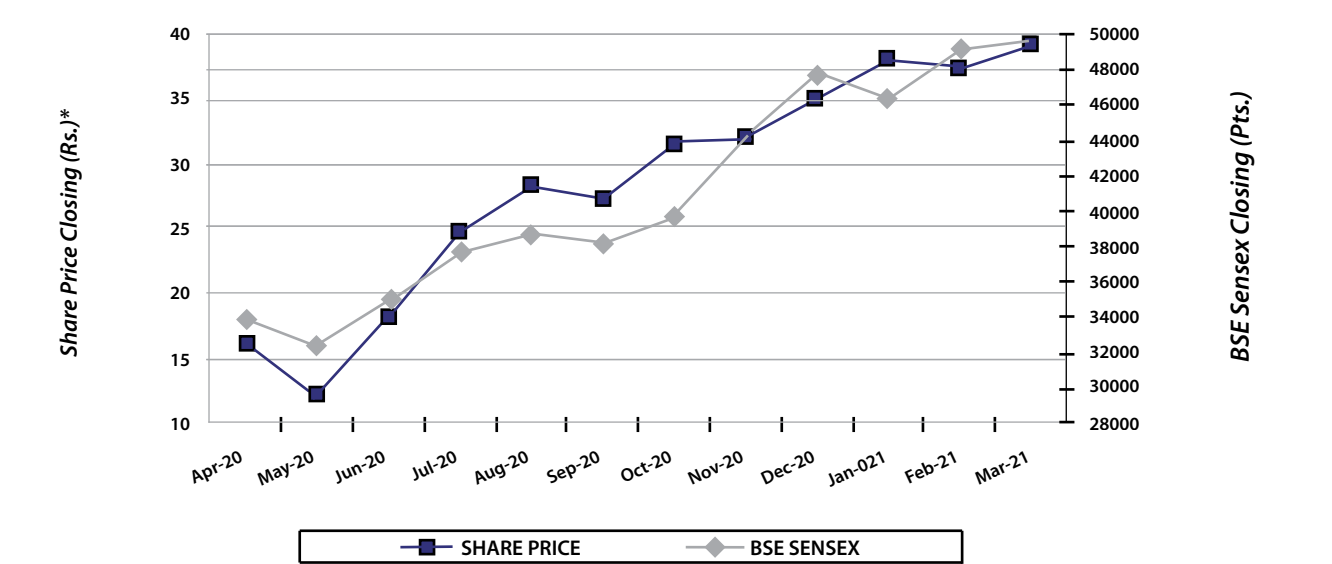
Swaminathan Subramaniam

Whole Time Director & CEO

General Shareholders Information

1	Date, Time & Venue of Annual General Meeting.	Saturday, 14th August, 2021 at 11:00 am (IST) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")			
2	Book closure date	Sunday, August 08, 2021 to Saturday, August 14, 2021 (both days inclusive)			
3	E-voting period	Wednesday, August 11, 2021 at 9.00 a.m. (IST) to Friday, August 13, 2021 at 5.00 p.m. (IST)			
4	E-Voting cut off date	Saturday, August 7, 2021			
5	Financial Year	The Financial Year Covers the period from 1st April to 31st 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 2021-22.			
7	Stock Code	540735			
8	ISIN No.	INE864K01010			
9	Market Price data of Company	Month	High	Low	
		April 2020	19.55	16.00	
		May 2020	16.05	11.55	
		June 2020	20.21	12.20	
		July 2020	24.70	16.55	
		August 2020	30.15	25.40	
		September 2020	30.25	26.00	
		October 2020	31.50	25.65	
		November 2020	40.00	28.35	
		December 2020	43.90	33.10	
		January 2021	41.90	34.00	
		February 2021	38.00	32.00	
		March 2021	39.45	30.65	
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: rnt.helpdesk@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 31st March, 2021	Given below			
	No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholding
	1 - 500	22	5.2133	4,340	0.0229
	501 - 1000	9	2.1327	6,906	0.0365
	1001 - 2000	9	2.1327	13,733	0.0726
	2001 - 3000	8	1.8957	20,300	0.1073
	3001- 4000	212	50.237	8,44,020	4.4602
	4001 - 5000	5	1.1848	23,600	0.1247
	5001 - 10000	47	11.1374	3,67,617	1.9427
	10001 and above	110	26.0664	1,76,42,646	93.2331
	Total	422	100	1,89,23,162	100
13	Dematerialisation of share and liquidity	As of 31st March, 2021, out of total shareholding, 1,82,57,412 equity shares were 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, 3rd Floor, International Infotech Park, Vashi Station, Vashi - 400 703, Maharashtra, India. Tel. : +91 22 6723 1000 Fax: +91 22 2781 4434 Email ID: cs@irisbusiness.com Website: www.irisbusiness.com			
16	Category of Shareholding as of 31st March, 2021	No. of Shares	% of total shares		
	Promoters	73,22,220	38.69		
	Nationalised Banks	0	0.00		
	Clearing members	84,000	0.44		
	HUF	3,69,370	1.95		
	Trusts	8,000	0.04		
	Corporate Bodies	59,05,418	31.2		
	NRIs	1,08,000	0.57		
	Indian Public	51,26,154	27.10		
	Total	18,92,3162	100.00		
17.	Share Price Performance in Comparison with BSE Sensex	As given below			
	Month	IRIS Business Services Limited			BSE Sensex
		High (Rs.)	Low (Rs.)	Close (Rs.)	Close
	April, 2020	19.55	16.00	16.00	33717.62
	May, 2020	16.05	11.55	12.15	32424.10
	Jun, 2020	20.21	12.20	18.29	34915.80
	July, 2020	24.70	16.55	24.70	37606.89
	August, 2020	30.15	25.40	28.25	38628.29
	September, 2020	30.25	26.00	27.25	38067.93
	October, 2020	31.50	25.65	31.50	39614.07
	November, 2020	40.00	28.35	32.00	44149.72
	December, 2020	43.90	33.10	35.00	47751.33
	January, 2021	41.90	34.00	37.95	46285.77
	February, 2021	38.00	32.00	37.25	49099.99
	March, 2021	39.45	30.65	39.15	49509.15



INDEPENDENT AUDITOR’S REPORT

To the Members of
IRIS Business Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of IRIS Business Services Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2021, the statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (standalone financial statements).

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 Companies Act, 2013 ('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, 2021, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder; and we have fulfilled our other

ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

3. Attention is invited to Note No. 34 to the Standalone Financial Statements regarding investment in a subsidiary IRIS Business Services, LLC carried at cost despite the liabilities thereof exceeding the total assets, having regards to business plans of that subsidiary and continued financial support from the Company. Our report is not modified in respect of this matter.

4. Attention is invited to Note No. 36 to the Standalone Financial Statements regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management on its operations and financial reporting for the year ended March 31, 2021; such an assessment, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Our report is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year under audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our professional judgement, we have decided the following to be the key audit matter to be communicated in our report:

Sr.No.	KAM and the basis for considering it so.	How the KAM is addressed in the audit
1	Impairment of Intangibles: As on March 31, 2021, Company's Intangibles Assets are measured at ₹ 1201.38 Lakhs which includes capitalized software / application development costs. The Company is required to review these for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, and at least annually, review whether there is any change in their expected useful lives. Based on the recoverable amount determined of the underlying assets, supported by value-in-use calculations which are based on estimates of future discounted cash flows, management concluded that there are no indications of impairment in its intangible and other assets.	Our audit tests include as under: <ul style="list-style-type: none">We obtained management's future cash flow forecasts and assessed the methodology of determination of future cash flows to obtain understanding of the usage of asset and impairment modelTested the arithmetical accuracy of the underlying value-in-use calculations.Assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, gross profit margin, net profit margin, perpetual growth rate and discount rates. When assessing these key assumptions, we discussed with management to understand and evaluate management's basis for determining such assumptions.

<p>The assessments made by management involves significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows. These estimates and judgments may be affected by unexpected changes in future market or economic conditions, or discount rates applied.</p> <p>Considering the use of such signification estimates and judgements, testing of Impairment of Intangibles is identified as Key Audit Matter.</p>	<ul style="list-style-type: none">• Evaluated management’s assessment on whether any events or change in circumstances indicate there may be a change in the expected useful lives of intangible assets.• Performing sensitivity analysis on revenue growth assumptions to assess the impact on forecasted cashflows.• Tested sensitivity analysis of potential revenue growth under each of the operating segments.• Obtained suitable representations from the management pertaining to key estimates.
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Information Other than the Financial Statements and Auditor’s Report Thereon

6. The Company’s Management and Board of Directors are responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors’ Report including Annexures to Directors’ Report, Corporate Governance, and such other disclosures related Information, excluding the Standalone Financial Statements and auditors report thereon (‘Other Information’).

The other information is expected to be made available to us after the date of this auditors’ report. Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 ‘The Auditor’s responsibilities Relating to other Information’.

Responsibility of Management for Standalone Financial Statements

7. The Company’s Management and the Board of Directors are responsible for the matters stated in Section 134(5) of 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 prescribed Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements. Our audit process in accordance with the SAs is narrated in Annexure 1 to this report.

Other Matters

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

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor’s Report) Order, 2016 (‘the Order’), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the Annexure 2, a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Accounting Standards) Rules, 2015.
- e. On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 3.
- g. In terms of provisions of Section 197(16) of the Act, as per the information and explanations given, we report that the managerial remuneration paid by the Company to its Directors is in accordance with provisions of Section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under:

(i) There were no pending litigations which would materially impact company’s 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.

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm’s Registration No.: 105146W/W100621

Hasmukh B. Dedhia
Partner
Membership No.: 033494
UDIN: 21033494AAAAGV8464

Place: Mumbai
Date: May 22, 2021

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

[referred to in para 8 titled ‘Auditor’s Responsibilities for the Audit of the Standalone Financial Statements’]

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor’s Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Annexure 2 to the Independent Auditors’ Report to the members of IRIS Business Services Limited

[referred to in para 11 under ‘Report on Other Legal and Regulatory Requirements’]

- According to information and explanation given to us, the Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - As informed to us, fixed assets were physically verified by the Management at regular intervals. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its business; according to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 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 clause 3(ii) of Order pertaining to Inventories is not applicable to the Company.
- According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured during the year under report to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (‘the Act’). Accordingly, clause 3(iii) of the Order is not applicable.
- According to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or securities covered under Section 185 and 186 of the Act.
- In our opinion and according to the explanations given to us, the Company has not accepted any deposits during the year. Therefore, question of reporting compliance with 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 rules framed thereunder does not arise. We are informed that no order relating to the Company has been passed by the Company law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- According to the information and explanations given to us, the Central Government has not prescribed the maintenance of

cost records under Section 148(1) of the Companies Act, 2013 for any of any activities / services rendered by the company. Accordingly, clause 3(vi) of the Order is not applicable.

vii. In respect of Statutory dues:

- According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Cess and other material statutory dues generally have been regularly deposited during the year by the Company with the appropriate authorities. There are no undisputed statutory dues payable in respect to the above statutes, outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income Tax, Sales Tax, Service tax, Goods and Service Tax and Value added tax which have not been deposited as on March 31, 2021 on account of disputes.

viii. According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debenture.

ix. According to the information and explanations given to us, Company did not raise any money by way of initial public offer (including debt instruments) and loans. Hence, clause (ix) of clause 3 of the Order is not applicable.

x. During the course of our examination of the books of account and records of the Company and according to information and explanation given to us, we have neither noticed nor have been informed by the management, any incidence of fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause (xii) of the Order is not applicable.

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required under applicable Accounting Standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, it has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the company, it has not entered into non-cash transactions with directors or persons connected with them. Accordingly, reporting under clause (xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the company is not required to be registered under Section 451A of the Reserve Bank of India Act, 1934.

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm's Registration No.: 105146W/W100621

Hasmukh B. Dedhia
Partner
Membership No.: 033494
UDIN: 21033494AAAAGV8464

Place: Mumbai
Date: May 22, 2021

Annexure 3 to the Independent Auditors’ Report to the members of IRIS Business Services Limited

[referred to in paragraph 12(f) under ‘Report on Other Legal and Regulatory Requirements’]
Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of IRIS Business Services Limited (‘the Company’) as at March 31, 2021 in conjunction with our audit of the Standalone AS Financial Statements of the Company for the year ended on that date.

Opinion

In our opinion considering the nature and size of the operations, 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, 2021, 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.

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 (‘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 the 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 Act.

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 Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone 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 standalone 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:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.

- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone 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
- (c) 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 Standalone 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.

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm's Registration No.: 105146W/W100621

Hasmukh B. Dedhia
Partner
Membership No.: 033494
UDIN: 21033494AAAAGV8464

Place: Mumbai
Date: May 22, 2021

Standalone Balance Sheet as at March 31, 2021

(Amount in ₹)			
Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	18,92,31,620	18,87,91,620
(b) Reserves and surplus	4	12,26,58,050	8,87,98,617
2. Share application money pending allotment		-	-
3. Non-current liabilities			
(a) Long-term borrowings	5	13,54,958	2,89,07,460
(b) Deferred tax liabilities (Net)		-	58,34,163
(c) Other Long term liabilities		-	-
(d) Long-term provisions	6	3,91,55,507	3,04,81,139
4. Current liabilities			
(a) Short-term borrowings	7	6,02,10,411	5,86,06,793
(b) Trade payables	8		
i) total outstanding dues of micro enterprises and small enterprises; and		2,89,237	26,66,303
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,16,76,737	1,79,20,514
(c) Other current liabilities	9	9,03,74,802	10,94,43,773
(d) Short-term provisions	10	5,90,35,398	5,84,56,765
TOTAL		57,39,86,720	58,99,07,147
II. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	11		
(i) Tangible assets		9,55,85,001	9,62,28,751
(ii) Intangible assets		12,01,37,763	16,99,15,615
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	32,95,420
(b) Non-current investments	12	2,70,84,538	2,70,84,538
(c) Long-term loans and advances	13	31,01,883	33,02,579
(d) Other non-current assets		-	-
2. Current assets			
(a) Trade receivables	14	12,97,68,854	16,41,61,095
(b) Cash and Bank Balance	15	6,88,65,285	1,31,05,947
(c) Short-term loans and advances	16	40,04,806	89,00,445
(d) Other current assets	17	12,54,38,590	10,39,12,757
TOTAL		57,39,86,720	58,99,07,147

The accompanying policies and notes form an integral part of the financial statements

As per our Report of even date attached

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Registration No.105146W / W100621

Hasmukh B Dedhia
Partner
Membership No. 033494

Place: Mumbai
Date : May 22, 2021

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

Swaminathan Subramaniam
Whole Time Director & CEO
DIN: 01185930

Balachandran Krishnan
Whole Time Director & CFO
DIN: 00080055

Deepta Rangarajan
Whole Time Director
DIN: 00404072

Jay Mistry
Company Secretary

Standalone Statement of Profit and Loss for the year ended March 31, 2021

(Amount in ₹)			
Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I. Revenue from operations	18	53,08,78,129	48,88,22,751
II. Other income	19	27,81,885	55,96,049
III. Total Revenue (I + II)		53,36,60,014	49,44,18,800
IV. Expenses:			
Employee benefits expense	20	29,13,34,044	26,25,38,741
Finance costs	21	1,68,06,936	1,54,21,322
Depreciation and amortisation expense	22	6,23,30,262	6,16,46,331
Other expenses	23	13,52,16,731	13,89,13,326
Total expenses		50,56,87,973	47,85,19,720
V. Profit before exceptional and extraordinary items and tax (III - IV)		2,79,72,041	1,58,99,080
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		2,79,72,041	1,58,99,080
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		2,79,72,041	1,58,99,080
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(58,34,163)	4,32,287
(3) Tax expense / (income) for earlier years		5,50,901	3,81,913
XI. Profit (Loss) for the period from continuing operations (IX-X)		3,32,55,303	1,50,84,880
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)		3,32,55,303	1,50,84,880
XVI. Earnings per equity share:			
(1) Basic		1.76	0.80
(2) Diluted		1.76	0.80

The accompanying policies and notes form an integral part of the financial statements

As per our Report of even date attached

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Registration No.105146W / W100621

Hasmukh B Dedhia
Partner
Membership No. 033494

Place: Mumbai
Date : May 22, 2021

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

Swaminathan Subramaniam
Whole Time Director & CEO
DIN: 01185930

Balachandran Krishnan
Whole Time Director & CFO
DIN: 00080055

Deepta Rangarajan
Whole Time Director
DIN: 00404072

Jay Mistry
Company Secretary

Standalone Cash Flow Statement for the year ended March 31, 2021

Particulars	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,79,72,041	1,58,99,080
Adjustments for :		
Depreciation and Amortisation	6,23,30,262	6,16,46,331
Write-off of Withholding Tax	41,81,600	62,30,203
Expense on Employee Stock Option Scheme	(7,02,150)	91,424
Interest Expenses	1,29,38,485	1,34,71,419
Other Finance Charges	38,51,176	-
Interest Income	(20,25,544)	(13,18,797)
Total	8,05,73,829	8,01,20,580
Operating Cash Profit before Working Capital Changes	10,85,45,870	9,60,19,660
(Increase) / Decrease in Sundry Debtors	3,43,92,241	(4,54,75,172)
(Increase) / Decrease in Short Term Loans & advances and Deposits	(2,13,68,713)	2,50,39,763
(Increase) / Decrease in Other Current Assets	(1,72,24,821)	(3,37,77,192)
(Increase) / Decrease in Long Term Loans and Advances	2,00,696	(28,28,169)
(Increase) / Decrease in Other Non - Current Assets	-	9,87,020
(Decrease) / Increase in Trade Payables	(86,20,843)	(91,73,788)
(Decrease) / Increase in Other Current Liabilities	34,48,314	23,52,456
(Decrease) / Increase in Long term Provisions	86,74,368	1,09,17,747
(Decrease) / Increase in Short term Provisions	5,78,633	(61,479)
Total	79,875	(5,20,18,814)
Taxes Paid	(88,52,770)	(1,91,94,058)
Net Cash Inflow / (Outflow) in course of Operating Activities (A)	9,97,72,975	2,48,06,788
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment (including capital advances)	(10,95,271)	(21,13,049)
In-house Software Products Capitalisation	(51,40,984)	(32,95,420)
Interest Income Received	18,44,802	13,35,537
Investments in Subsidiaries	-	(93,38,700)
Net Cash Inflow / (Outflow) in the course of Investing Activities (B)	(43,91,453)	(1,34,11,632)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital on account of issue of shares under ESOP	17,46,280	-
Proceeds / (Repayments) of Short Term Borrowing	16,03,618	(8,27,721)
Other Finance Charges	(38,51,176)	-
Repayment of Finance Lease Obligations	(2,80,850)	-
Repayment of Long Term Borrowings	(5,16,92,645)	(1,70,88,889)
Interest paid on Term Loans, Working Capital Loan and Finance Lease	(1,34,11,763)	(1,29,98,141)
Net cash flow used in financing activities (C)	(6,58,86,536)	(3,09,14,751)
Net increase / (decrease) in Cash and cash equivalents (A + B + C)	2,94,94,986	(1,95,19,595)
Add: Balance of Cash and Cash Equivalents at the beginning of the year	36,75,279	2,31,94,874
Cash and Cash Equivalents at the close of the year	3,31,70,265	36,75,279
Cash and bank balance as per note 15 at the end of the year	6,88,65,285	1,31,05,947
Less: Term Deposits not considered as cash & cash equivalents as per AS-3	(3,56,95,020)	(94,30,668)
Cash and Cash Equivalents at the close of the year	3,31,70,265	36,75,279

The accompanying policies and notes form an integral part of the financial statements

As per our Report of even date attached

For Khimji Kunverji & Co LLP

Chartered Accountants

Registration No.105146W / W100621

Hasmukh B Dedhia

Partner

Membership No. 033494

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

Swaminathan Subramaniam

Whole Time Director & CEO

DIN: 01185930

Deepta Rangarajan

Whole Time Director

DIN: 00404072

Balachandran Krishnan

Whole Time Director & CFO

DIN: 00080055

Jay Mistry

Company Secretary

Place: Mumbai

Date : May 22, 2021

Notes to the Standalone Financial Statements for the year ended March 31, 2021

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, Italy and India. 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 22, 2021.

2 Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

These financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘Act’).

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. Although these estimates are based on the management’s best knowledge of current events and actions, the actual outcome may be different from the estimates. Differences between actual results and estimates are recognised in the period in which the results are known or materialise.

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 period between the acquisition and development of asset 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 recognised when no significant uncertainty exists as to either the measurement or ultimate realisation of the same.

Revenue from Operations

- Revenue from contracts for development or customisation 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.
- Revenue from sale of software/ software licenses which do not involve any customisation are recognised upon delivery of the software to the clients and subscription income is recognised as revenue over the period of the subscription.
- Revenue from advertisement, data conversion services is recognised after the performance of the services and it is not unreasonable to expect ultimate collection.
- Revenues from maintenance and content contracts are recognised on a straight line basis over the period of the contract.
- Royalty income is recognised as and when right to receive royalty is established.
- 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.
- 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

Other Income

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

2.3 Property, Plant and Equipment

Tangible Property, plant and equipment 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 Property, plant and equipment 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 & Amortisation

Tangible Property, plant and equipment 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. Leasehold Laptop & desktops is amortised over the lease term.

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

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

Assets type	Useful life (in Years)
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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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 recognised in the financial statements.

2.8 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.

The Company uses Foreign exchange forward contracts (‘Forwards’) to hedge part of its exposure to the movement in foreign exchange. The use of these Forwards reduces the risks or cost to the Company and it does not use them for trading or speculation purpose. In case of Forwards or any other financial instrument which is in substance a Forwards (other than a firm commitment or a highly probable forecast) to hedge the foreign currency risk, the premium or discount arising at the inception of the Forwards is amortised as expense or income over the life of the Forwards on straight line basis. Exchange difference on such Forwards are recognised in the Statement of profit and loss in the reporting period in which the exchange rate changes. Gain or loss on settlement of transaction arising on cancellation or renewal of such Forwards is recognised as income or as expense for the period.

2.9 Prepaid Expenses

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

2.10 Employee Benefits

Short-term employee benefits including salaries, wages, bonus and other benefits are recognised 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 recognised 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.

2.11 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 Accountants 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 amortised portion of value of lapsed portion and a debit to share options outstanding account equal to the un-amortised portion.

Notes to the Standalone Financial Statements for the year ended March 31, 2021

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 Goods and Services Tax (GST)

The Goods and Services Tax, namely CGST, SGST and IGST, hereinafter referred to as GST, was levied on the sale of products and services rendered by the Company and as per the provisions of the applicable GST Act. The Input tax Credit was claimed in respect of eligible expenses and shall be adjusted against the GST payable as per the provisions of the applicable GST Act. 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”.

Notes to the Standalone Financial Statements for the year ended March 31, 2021

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 Cash and Bank Balance

Cash is defined to include cash on hand and demand deposits with banks. Cash Equivalents are defined as short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Further, bank balances include balances held as margin money or security against borrowings , guarantees & other commitments.

2.18 Provision for Warranty

As per the terms of our Fixed price Implementation contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and technical estimates.

2.19 Borrowing Costs

Borrowing costs include interest and ancillary costs incurred in connection with the borrowings. Borrowing costs in connection with the borrowing of funds, to the extent attributable to the acquisition or construction of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

Note 3 Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 10/- each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
Issued				
Equity Shares of ₹ 10/- each	1,89,23,162	18,92,31,620	1,88,79,162	18,87,91,620
Subscribed & Paid up				
Equity Shares of ₹ 10/- each fully paid	1,89,23,162	18,92,31,620	1,88,79,162	18,87,91,620
Total	1,89,23,162	18,92,31,620	1,88,79,162	18,87,91,620

Reconciliation of shares outstanding at the beginning and at the end of the reporting period.

Particulars	Equity Shares		Equity Shares	
	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	1,88,79,162	18,87,91,620	1,88,79,162	18,87,91,620
Shares Issued during the year	44,000	4,40,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,89,23,162	18,92,31,620	1,88,79,162	18,87,91,620

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	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
S Swaminathan	47,72,168	25.22	47,72,168	25.28
Vistra ITCL India Limited (Trustee for Shubkam Growth Fund I)			39,07,598	20.70
FLOWERS VALLEY PRIVATE LIMITED	12,28,940	6.49	-	-
Deeptha Rangarajan	14,46,052	7.64	14,46,052	7.66
K Balachandran	11,04,000	5.83	11,04,000	5.85
Madhuri Kela	10,72,000	5.67	10,72,000	5.68
SUBHKAM VENTURES I PVT LTD	10,18,711	5.38	-	-
Total	1,06,41,871		1,23,01,818	

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 March 31, 2021	As at March 31, 2020
Number of shares to be issued under the Employee Stock Option Plans	4,50,000	5,47,000

[Refer note 28 for details of shares to be issued under the Employee Stock Option Scheme.]

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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)				
	2020-21	2019-20	2018-19	2017-18	2016-17
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	-	-	-	-	-

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 and Surplus

Particulars	As at March 31, 2021	As at March 31, 2020
a. Securities Premium		
Opening Balance	11,08,26,740	11,08,26,740
Add : Securities premium credited on share issue	13,06,280	-
Less : Premium Utilised for various reasons		
For Issuing Bonus Shares	-	-
Closing Balance	11,21,33,020	11,08,26,740
b. Share Options Outstanding Account		
Opening Balance	39,53,672	38,62,248
Add: Amounts recorded on grants/modifications/cancellations during the year	-	91,424
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	7,02,150	-
Closing Balance	32,51,522	39,53,672
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	(2,64,56,795)	(4,15,41,675)
(+) Net Profit/(Net Loss) For the current year	3,32,55,303	1,50,84,880
Closing Balance	67,98,508	(2,64,56,795)
Total	12,26,58,050	8,87,98,617

*Note :

General Reserve, a free reserve, is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 5 Long Term Borrowings

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
(a) Term loans *		
from Banks	-	2,89,07,460
(b) Long-term maturities of finance lease obligations	13,54,958	
Total	13,54,958	2,89,07,460

* The term loan with Federal Bank has been taken over by ICICI Bank. However, the takeover process is yet to be completed in all respect as on 31st March 2021.

(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 - 1 Year MCLR + 4.5% Interest Rate charged from 01-Apr-2019 to 23-Sep-2019 - 10.79% and wef. 24-Sep-2019 13.50% (Previous year 10.79%)

Repayable in 84 months in 28 quarterly instalments. Secured by: Primary: Exclusive charge by way of EM on lease hold rights on T-231, 3rd Floor, Tower No. 2, International Infotech Park, Vashi, Navi Mumbai - 400 703.

Note 6 Long-Term Provisions

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Gratuity	3,16,33,856	2,63,90,215
- Leave Encashment	75,21,651	40,90,924
Total	3,91,55,507	3,04,81,139

Note 7 Short Term Borrowings

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
(a) Loans repayable on demand		
from banks	6,02,10,411	5,86,06,793
Total	6,02,10,411	5,86,06,793

Exclusive charge by way of :

- a. Equitable mortgage on the Commercial Property T-231, 3rd Floor, Tower No. 2, International Infotech Park, Vashi, Navi Mumbai - 400 703.
- b. hypothecation of the Company's entire stocks & book-debts.

This facility is personal guaranteed by executive directors of the company.

Note 8 Trade Payables

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
(a) total outstanding dues of micro enterprises and small enterprises; and	2,89,237	26,66,303
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,16,76,737	1,79,20,514
Total	1,19,65,974	2,05,86,817

Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED 2006) have been determined based on the information as available with the Company and the details of amount outstanding due to them are as given below:

Notes to the Standalone Financial Statements for the year ended March 31, 2021

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2,89,237	26,66,303
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	2,89,237	26,66,303

Note 9 Other Current Liabilities

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
(a) Current maturities of long-term debt	-	2,27,85,185
(b) Current maturities of finance lease obligations	7,41,178	-
(c) Interest accrued but not due on borrowings	-	4,73,278
(d) Income received in advance	3,49,37,221	3,09,35,985
(e) Other Payables		
- Statutory Dues	93,81,117	65,51,740
- Salaries, Wages & Bonus Payable	2,32,89,628	3,38,35,276
- Contribution to PF / ESIC / MLWF Payable	10,13,337	9,49,827
- Accrued expenses	2,01,67,579	1,28,51,748
- Others	8,44,742	10,60,734
Total	9,03,74,802	10,94,43,773

Note 10 Short Term Provisions

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits		
- Incentives	5,17,55,621	5,18,28,827
- Gratuity	36,50,433	48,44,447
- Leave Encashment	24,17,096	17,83,491
(b) Provision - Others		
- Provision for warranty	4,81,235	-
- Others	7,31,013	-
Total	5,90,35,398	5,84,56,765

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 11 Property, Plant and Equipment

Note 11 Property, Plant and Equipment													
Particulars		Gross Block				Accumulated Depreciation and Impairment					Net Block		
		Balance as at April 01, 2020	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance As at March 31, 2021	Balance As at April 01, 2020	Depreciation charge at March 31, 2021	Adjustment due to revaluations / Impairment	On disposals	Balance As at March 31, 2021	Balance As at March 31, 2020	Balance As at March 31, 2021
a. Tangible Assets													
	Leasehold												
	Buildings	10,70,93,510	-	-	-	10,70,93,510	1,45,42,313	19,47,156	-	-	1,64,89,469	9,25,51,197	9,06,04,041
	Freehold												
	Plant and Equipment	5,70,73,128	10,87,771	-	-	5,81,60,899	5,38,28,246	17,44,860	-	-	5,55,73,106	32,44,882	25,87,793
Leased Assets													
	Plant and Equipment	-	23,76,986	-	-	23,76,986	-	2,64,110			2,64,110	-	21,12,876
	Taken under finance lease												
	Furniture and Fixtures	33,22,354	-	-	-	33,22,354	28,91,694	1,56,972	-	-	30,48,666	4,30,660	2,73,688
	Office equipment	47,33,280	7,500	-	-	47,40,780	47,31,268	2,909	-	-	47,34,177	2,012	6,603
	Total	17,22,22,272	34,72,257	-	-	17,56,94,529	7,59,93,521	41,16,007	-	-	8,01,09,528	9,62,28,751	9,55,85,001
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	1,52,87,382	-	-	-	1,52,87,382	1,43,33,204	5,55,828	-	-	1,48,89,032	9,54,178	3,98,350
	Software developed in-house	46,33,41,720	51,40,984	-	-	46,84,82,704	29,10,84,863	5,76,58,427	-	-	34,87,43,290	17,22,56,857	11,97,39,413
	Total	47,97,29,552	51,40,984	-	-	48,48,70,536	30,65,18,517	5,82,14,255	-	-	36,47,32,772	17,32,11,035	12,01,37,763
c. Capital Work In Progress													
	Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-
d. Intangible assets under Development													
	Intangible assets under Development	-	-	-	-	-	-	-	-	-	-	-	-
	Total	65,19,51,824	86,13,241	-	-	66,05,65,065	38,25,12,038	6,23,30,262	-	-	44,48,42,300	26,94,39,786	21,57,22,764
	Previous Year	64,67,37,905	52,13,919	-	-	65,19,51,824	32,10,60,257	6,16,46,331	-	1,94,550	38,25,12,038	32,56,77,648	26,94,39,786

Note:
1. Leasehold building has been taken on lease from CIDCO Ltd. for a period of 60 years

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 12 Non-Current Investments

Particulars		As at March 31, 2021		As at March 31, 2020		(Amount in ₹)						
A	Other Investments (Refer B below)											
	Investment in Equity Instruments		2,80,20,469		2,80,20,469							
	Less : Provision for diminution in the value of Investments		9,35,931		9,35,931							
	Total		2,70,84,538		2,70,84,538							
B	Details of Other Investments											
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 Valuation			
(1)	(2)	(3)	2021 (4)	2020 (5)	(6)	(7)	2021 (8)	2020 (9)	(10)	(11)	(12)	(13)
(a)	Investment in Equity Instruments											
	IRIS Business Services, LLC	Subsidiary			Unquoted	Fully Paid	100	100	1,45,39,880	1,45,39,880	Yes	N.A.
	IRIS Business Services (Asia) Pte. Ltd.	Subsidiary	2,99,900	2,99,900	Unquoted	Fully Paid	98	98	1,11,95,389	1,11,95,389	Yes	N.A.
	Atanou S.r.l.	Subsidiary			Unquoted	Fully Paid	100	100	15,25,200	15,25,200	Yes	N.A.
	IRIS Logix Solutions Private Ltd.	Subsidiary	76,000	76,000	Unquoted	Fully Paid	76	76	7,60,000	7,60,000	Yes	N.A.
	Total								2,80,20,469	2,80,20,469		

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 13 Long Term Loans and Advances

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Security Deposits		
Unsecured, considered good	31,01,883	33,02,579
Total	31,01,883	33,02,579

Note 14 Trade Receivables

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	11,50,93,882	9,90,20,306
Unsecured, considered doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
	11,50,93,882	9,90,20,306
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	1,46,74,972	6,51,40,789
Unsecured, considered doubtful	25,06,722	5,77,905
Less: Allowance for bad and doubtful debts	(25,06,722)	(5,77,905)
	1,46,74,972	6,51,40,789
Total	12,97,68,854	16,41,61,095

Trade Receivable stated above include debts due by:

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Partnership of Director	5,48,821	65,96,266
Private Company in which director is a member	12,10,991	12,10,991
Total	17,59,812	78,07,257

Note 15 Cash & Bank Balance

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
A. Cash and Cash Equivalents		
a. Balances with banks	1,50,57,429	8,25,047
b. Cash on hand	21,267	25,912
c. Deposits with Original Maturity less than or equal to 3 months	1,00,00,000	-
d. Deposits with Original Maturity less than or equal to 3 months (held as margin money or security against the borrowings, guarantees, other commitments)	80,91,569	28,24,320
B. Other Bank Balances		
a. Deposits with remaining maturity of 12 months or less (held as margin money or security against the borrowings, guarantees, other commitments)	3,56,95,020	94,30,668
Total	6,88,65,285	1,31,05,947

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 16 Short-Term Loans and Advances

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Others		
Unsecured, considered good		
Prepaid Expenses	39,28,517	86,74,708
Loans to Staff	74,998	2,18,736
Advances to Staff	1,291	7,001
Total	40,04,806	89,00,445

Note 17 Other Current Assets

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Interest Accrued on Fixed Deposits	6,27,023	4,46,281
Taxes on Income	4,25,64,913	3,84,44,643
GST Refund	1,86,097	1,86,097
GST Input Credit	7,84,958	7,10,738
Unbilled Revenue	7,73,98,621	6,25,11,448
Others (includes receivable from Subsidiary)	38,76,978	16,13,550
Total	12,54,38,590	10,39,12,757

Receivable from Subsidiary amount to ₹ 37,46,909/- (P.Y. ₹ 14,18,923/-)

Note 18 Revenue from Operations

Particulars	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	20,39,57,741	11,66,53,659
Sale of services *	32,69,20,388	37,21,69,092
Total	53,08,78,129	48,88,22,751

* Includes Platform Implementation & Services

Note 19 Other Income

Particulars	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest income	20,25,544	13,18,797
Net exchanges gain	-	31,31,741
Reversal of Provision no longer required	5,77,905	9,60,274
Other non-operating income	1,78,436	1,85,237
Total	27,81,885	55,96,049

Note 20 Employee Benefits Expense

Particulars	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	27,44,31,976	24,49,92,049
Contribution to provident and other funds	1,44,74,839	1,44,43,999
Staff welfare expenses	27,91,099	30,11,269
Expense on Employee Stock Option Scheme (ESOP)	(3,63,870)	91,424
Total	29,13,34,044	26,25,38,741

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 21 Finance Cost		
(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense	1,08,65,653	1,34,71,419
Other borrowing costs	20,90,107	19,49,903
Loan processing charges	17,78,344	-
Loan foreclosure charges	20,72,832	-
Total	1,68,06,936	1,54,21,322

Note 22 Depreciation and Amortisation Expenses		
(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation and amortisation	6,23,30,262	6,16,46,331
Total	6,23,30,262	6,16,46,331

Note 23(a) Other Expenses (I)		
(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Legal, Professional and Consultancy Fees	1,69,80,585	1,15,38,405
Directors' Sitting Fees	9,75,000	6,85,000
Travelling and Conveyance	13,52,543	50,88,165
STPI / Non-STPI - Annual Service Charges	2,50,000	2,50,000
Commission / Brokerage Charges	29,89,897	15,16,450
Postage, Telephone & Communication Charges	7,22,506	12,45,231
Advertisement Expenses	2,22,070	4,75,804
Printing & Stationery	71,415	3,36,393
Business Promotion Expenses	20,747	10,90,153
Foreign Travel Expenses	50,03,222	2,32,87,097
Payment to Subsidiaries	97,39,310	38,26,696
Marketing and Sales Expenses	34,67,664	-
Donation	-	61,001
Partner fees	4,16,01,827	3,28,88,517
Software Development Expenses	36,08,316	48,15,750
Conference Expenses	44,230	1,86,593
Data Sourcing Expenses	3,01,902	4,05,829
Internet Co-Location Charges	70,98,580	82,16,369
Membership Fees	2,84,935	3,68,026
Registry Maintenance Expenses	73,000	74,905
Forward Cover losses	35,100	1,23,400
Office Maintenance Expenses	26,19,606	27,82,920
Repairs & Maintenance Expenses	82,152	1,97,546
Staff Recruitment Charges	1,09,775	6,43,970
Kuwait Retention Expenses	-	1,85,492
Software License & Hardware Fees	2,02,13,258	1,56,57,634
Provision for Doubtful Debts	27,39,506	12,41,992
Sundry Balance Written-Off	43,76,410	66,98,603
Exchange Loss	26,52,005	-
Listing Expenses	2,70,705	5,20,136
Total	12,79,06,266	12,44,08,077

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 23(b) Other Expenses (II)		
(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Payment to auditors as		
Auditor	8,00,000	8,50,000
For other services	15,000	66,000
Reimbursement of expenses	41,950	23,950
Total	8,56,950	9,39,950

Note 23(c) Other Expenses (III)		
(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Prior year Adjustments (Net) Expense / (Income)	29,758	2,22,452
Total	29,758	2,22,452

Note 23(d) Other Expenses (IV)		
(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Electricity & Water Charges	23,83,527	53,05,567
(b) Rent	10,85,713	37,72,136
(c) Repairs to machinery	5,64,566	7,29,332
(d) Insurance	6,60,127	7,50,292
(e) Rates and taxes, excluding, taxes on income	7,49,286	9,49,788
(f) Miscellaneous expenses	9,80,538	18,35,732
Total	64,23,757	1,33,42,846
Note 23(a+b+c+d)	13,52,16,731	13,89,13,326

Note 24 Contingent Liabilities and Commitments		
(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	1,74,400	1,74,400
Disputed EPFO demand		
- Relating to May-2005 to May-2007 and pending before Honorable High Court of Bombay		
(ii) Commitments		
(a) Revenue Commitment	-	8,00,000
Total	1,74,400	9,74,400

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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 ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets in respect of:		
Provision for Gratuity & Leave Encashment	1,17,57,989	96,48,360
Provision for Bad Debts	6,51,748	1,50,255
Provision for Bonus	1,34,56,462	1,34,75,495
Provision for warranty	1,25,121	-
Provision for rent lease assets	5,44,995	-
Total	2,65,36,315	2,32,74,110
Deferred tax liabilities in respect of:		
Depreciation & Amortisation	2,63,59,021	2,91,08,273
Total	2,63,59,021	2,91,08,273
Net Deferred Tax Asset / (Liability)	1,77,294	(58,34,163)
Deferred tax expenses (Net)	(58,34,163)	4,32,287

Note- Considering prudence, the company has refrained from creating Deffered Tax Asset

Minimum Alternative Tax (MAT) Credit

In accordance with accounting policy of the company, MAT credit balance not recognised as an assets as at 31.03.2021 is ₹ 3,75,54,770/- (As at 31.03.2020 is ₹ 3,75,54,770/-).

Note 26 Finance Leases

The Company has entered into finance lease arrangements for certain office equipments (Laptops & Desktops), which provide the Company an option to purchase the assets at the end of the lease period.

The ownership of the equipments remains with the lessor and they retain all the risks and reward incidental to the ownership of the assets.

(Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Reconciliation of minimum lease payments		
Future minimum lease payments		
not later than one year	8,89,413	NIL
later than one year and not later than five years	14,82,355	NIL
later than five years	NIL	NIL
Less: Unmatured finance charges		
Present value of minimum lease payments payable		
not later than one year	7,30,453	NIL
later than one year and not later than five years	13,65,683	NIL
later than five years	NIL	NIL

Contingent rents recognised as expense during the year (state basis).

Future minimum sublease payments expected to be received under non-cancellable subleases.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

Note 27.1 Employee Benefits

The disclosures required as per the revised Accounting Standard (AS) 15 -Employee Benefits (revised 2005) are as under:

Amount recognised as an expense and included in the Contribution to provident & other funds amounts to ₹ 1,44,74,839/- (Previous year ₹1,44,43,999/-).

Defined benefit plan (Gratuity) - As per the independent actuarial valuation carried out as at March 31, 2021 (Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) Change in Present Value of Obligation		
Defined Benefit Obligation, Beginning of Period	3,59,77,671	2,71,53,000
Service Cost	49,85,699	37,56,939
Interest Cost	24,04,421	19,83,822
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	18,30,400	38,98,621
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefit paid directly by the Company	(17,85,723)	(8,14,711)
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	4,34,12,468	3,59,77,671
(B) Change in Fair Value of Plan Assets		
Fair value of Plan Assets, Beginning of Period	47,43,009	53,08,667
Expected Return on Plan Assets	3,16,359	3,94,434
Actual Company Contributions	49,94,291	7,074
Actual Plan Participants' Contributions	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	(1,39,757)	(1,52,455)
Benefits Paid by the insurer	(17,85,723)	(8,14,711)
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
Fair value of Plan Assets, End of Period	81,28,179	47,43,009
(C) Amount recognised in the Balance Sheet		
Defined Benefit Obligation	4,34,12,468	3,59,77,671
Fair value of Plan Assets	81,28,179	47,43,009
Funded Status - (Surplus)/Deficit	3,52,84,289	3,12,34,662
Past Service Cost not yet Recognised	-	-
Unrecognised Asset due to Limit in Para 58(B)	-	-
(Asset)/Liability Recognised in the Balance Sheet	3,52,84,289	3,12,34,662
(D) Net Gratuity Cost		
Service Cost	49,85,699	37,56,939
Interest Cost	24,04,421	19,83,822
Expected Return on Plan Assets	(3,16,359)	(3,94,434)
Past Service Cost	-	-
Net Actuarial Losses/(Gains) Recognised during the period	19,70,157	40,51,076
(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"	90,43,918	93,97,403

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 27.1 Employee Benefits *(contd.)*

(Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Assumptions used in accounting for gratuity costs		
Date of Valuation		
Discount Rate	6.97%	6.67%
Salary Escalation Rate	9.00%	8.00%
Expected Rate of Return on Assets	6.97%	6.67%
Demographic Assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/ Withdrawal Rate	12.00%	15.00%
Retirement Age	60 years	60 years

Note 27.2 Provision for Leave Encashment

Accounting Standard 15 (Revised 2005) Disclosures

(Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Amounts Recognised in Statement of Profit & Loss at Period-End		
Service Cost	10,75,247	6,31,033
Interest Cost	3,68,204	2,54,493
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Net Actuarial Losses/(Gains) Recognised during the period	26,20,881	11,54,287
(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"	40,64,332	20,39,813
Change in Defined Benefit Obligation during the Period		
Defined Benefit Obligation, Beginning of Period	58,74,415	38,34,602
Service Cost	10,75,247	6,31,033
Interest Cost	3,68,204	2,54,493
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	26,20,881	11,54,287
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	99,38,747	58,74,415
Reconciliation of Amounts recognised in Balance Sheet		
Balance Sheet (Asset)/Liability, Beginning of Period	58,74,415	38,34,602
Total Expense/(Income) Recognised in Profit & Loss	40,64,332	20,39,813
Acquisition/Business Combination/Divestiture	-	-
Benefit Payouts	-	-
Balance Sheet (Asset)/Liability, End of Period	99,38,747	58,74,415

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 27.2 Provision for Leave Encashment *(contd.)*

(Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Assumptions used in accounting for leave encashment		
Date of Valuation		
Discount Rate	6.97%	6.67%
Salary Escalation Rate	9.00%	8.00%
Expected Rate of Return on Assets	NA	NA
Demographic Assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/ Withdrawal Rate	12.00%	15.00%
Retirement Age	60 years	60 years
Leave Availment Ratio	10%	10%

Note 28 Employee Stock Option Scheme

The Company provides share-based payment schemes to its employees. The relevant details of the scheme are as follows:

On September 11, 2017, the Board of Directors approved the “IRIS Business Services Limited – Employee Stock Option Scheme 2017” (“Scheme”) 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 with an intent to attract and retain talent in the organisation. The aforesaid Scheme was duly approved by shareholders in its Extra-Ordinary General Meeting held on September 13, 2017. The Nomination and Remuneration committee of the Board has granted options under the said Scheme to certain category of employees as per criteria laid down by Nomination and Remuneration committee of the Board.

The shareholders of the Company approved the ratification of the Scheme and extension of the benefits of the Scheme to the employees of Subsidiary Company(ies) by Special Resolutions through Postal Ballot on March 29, 2019. 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 2021

(Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
No. of Options Outstanding at the beginning of the year	5,47,000	5,52,000
Options Granted during the year	-	-
Options exercised during the year *	44,000	-
Options Forfeited / Cancelled / Surrendered during the year	-	-
Options Lapsed during the year	53,000	5,000
Number of options Outstanding at the end of the year	4,50,000	5,47,000

* The company has allotted the shares

Notes to the Standalone Financial Statements for the year ended March 31, 2021

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.

Particulars	As at March 31, 2021	As at March 31, 2020
Variables		
Risk Free Interest rate	6.61% to 7.00%	6.61% to 7.00%
Expected Life (in Years)	3.5 Years to 6.5 Years	3.5 Years to 6.5 Years
Expected Volatility	11.73%	11.73%
Dividend Yield	0.00%	0.00%
Stock Price (in ₹)	32	32
Exercise Price (in ₹)	32	32

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 29 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. Property, plant and equipment 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		(Amount in ₹)
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1. Segment Revenue		
(net sale/income from each segment should be disclosed under this head)		
(a) Segment – Collect	21,73,19,221	27,90,99,506
(b) Segment – Create	28,38,41,749	17,90,08,261
(c) Segment – Consume	2,97,17,159	3,07,14,984
(d) Unallocated	-	-
Less: Inter Segment Revenue	-	-
Net sales/Income From Operations	53,08,78,129	48,88,22,751
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)		
(a) Segment – Collect	3,46,28,739	9,44,94,350
(b) Segment – Create	6,65,58,066	(34,44,740)
(c) Segment – Consume	31,40,549	(36,78,926)
(d) Unallocated	27,81,885	55,96,049
Total	10,71,09,239	9,29,66,733
Less: i) Interest	1,68,06,936	1,54,21,322
ii) Depreciation & Amortisation	6,23,30,262	6,16,46,331
iii) Other non-cash un-allocable expenses	-	-
iv) Other Un-allocable Expenditure net off Un-allocable income	-	-
Total Profit Before Tax	2,79,72,041	1,58,99,080
3. Segment Assets		
(a) Segment – Collect	6,15,91,882	11,24,90,183
(b) Segment – Create	8,86,28,902	8,50,68,933
(c) Segment – Consume	10,17,94,199	13,94,36,736
(d) Unallocated	32,19,71,737	25,29,11,295
Total Assets	57,39,86,720	58,99,07,147

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 29 Segment Reporting (contd.)

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
4. Segment Liabilities		
(a) Segment – Collect	61,76,829	66,40,118
(b) Segment – Create	27,49,353	46,18,628
(c) Segment – Consume	-	24,17,743
(d) Unallocated	25,31,70,868	29,86,40,421
Total Liabilities	26,20,97,050	31,23,16,910
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 Property, plant and equipment);		
(a) Segment – Collect	-	-
(b) Segment – Create	51,40,984	32,95,420
(c) Segment – Consume	-	-
(d) Unallocated	10,95,271	21,13,049
Total	62,36,255	54,08,469
Revenues by Geography:	(Amount in ₹)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Geography		
Asia Pacific	2,07,02,012	2,63,19,388
India	22,29,35,721	20,87,90,666
Europe	11,13,75,435	4,77,12,911
Middle East	7,66,14,031	12,39,69,951
Africa	9,77,72,682	8,19,94,942
America	14,78,248	34,893
Total	53,08,78,129	48,88,22,751
Segment assets by Geography:		
India	57,39,86,720	58,99,07,147
Capital assets acquired during the period by Geography:		
India	62,36,255	54,08,469

Note 30 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:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net Profit for the Year	3,32,55,303	1,50,84,880
Number of Equity Outstanding at the beginning of the year	1,88,79,162	1,88,79,162
Adjusted Equity Shares outstanding at the beginning of the year	1,88,79,162	1,88,79,162
Issue of Equity Shares (30.03.2021)	44,000	-
Weighted Average No. of Shares - Basic	1,88,79,403	1,88,79,162
Stock options Granted at exercise price of	32	32

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 30 Earnings Per Share (contd.)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Fair Value of shares	28	22
Options granted	4,50,000	5,47,000
Equitable number of options granted at fair value	5,16,129	7,83,164
So Equity options issued at no consideration		
Issue of potential Equity shares (11-10-17)	-	-
Weighted Average No. of Shares - Diluted	1,88,79,403	1,88,79,162
(Since the potential dilutive equity shares are anti-dilutive no. of shares considered for diluted EPS is same as basic EPS)		
EPS - Basic	1.76	0.80
EPS - Diluted	1.76	0.80
Nominal value of each Equity Share	10.00	10.00

Note 31 Additional Information to the Financial Statements

Related Party Transactions

a. Subsidiary Companies

- IRIS Business Services, LLC
- IRIS Business Services (Asia) Pte. Ltd.
- Atanou S.r.l.
- IRIS Logix Solutions Private Ltd.

b. Key Managerial Personnel (KMP), including KMP under Companies Act, 2013

- S. Swaminathan, Whole Time Director and Chief Executive Officer
- Deepta Rangarajan, Whole Time Director
- K. Balachandran, Whole Time Director and Chief Financial Officer
- Jay Mistry, Company Secretary and Compliance Officer”

c. Relatives of Key Managerial Personnel (KMP)

- Deepta Rangarajan, Spouse of Mr S. Swaminathan
- N Subramaniam, Father of Mr S. Swaminathan
- S. Chandrasekhar, Brother of Mr S. Swaminathan
- S. Swaminathan, Spouse of Ms Deepta Rangarajan
- Santhanakrishnan Rangarajan, Father of Ms Deepta Rangarajan
- Shanti Rangarajan, Mother of Ms Deepta Rangarajan
- Rajlaxmi Nambiar, Spouse of Mr K. Balachandran
- Sharanya Balachandran, Daughter of Mr K. Balachandran
- Shyama Balachandran, Daughter of Mr K. Balachandran
- Vijayalakshmi Nambiar, Mother of Mr K. Balachandran

d. Enterprises over which the above persons exercise significant influence/ control and with which the Company has transactions during the Year

- FinX Solutions (UAE)
- IRIS Knowledge Foundation

e. Independent Directors

- Bhaswar Mukherjee, Non-Executive Independent Director
- Vinod Balmukand Agarwala, Non-Executive Independent Director
- Ashok Venkatramani, Non-Executive Independent Director
- Haseeb A Drabu, Non-Executive Independent Director

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 31 Transactions and Balances with Related Parties (Amount in ₹)

Particulars	Relationship with Related Party	Transactions during 2020-21	Outstanding as at 31.03.2021	Transactions during 2019-20	Outstanding as at 31.03.2020
Services Rendered					
IRIS Business Services (Asia) Pte. Ltd.	Subsidiary	80,80,884	12,45,842	1,08,52,209	27,21,318
FinX Solutions	An entity in which one of the Promoter Director is the managing partner	5,48,821	5,48,821	-	65,96,266
IRIS Logix Solutions Private Limited	Subsidiary	11,81,306	4,00,199	-	-
IRIS Knowledge Foundation	Promoter Directors are common Directors	-	12,10,991	-	12,10,991
Services Availed					
IRIS Business Services, LLC	Subsidiary	-	-	-	22,30,392
IRIS Business Services (Asia) Pte. Ltd.	Subsidiary	97,39,310	-	38,26,696	-
CSR Contribution					
IRIS Knowledge Foundation	Promoter Directors are common Directors	-	-	50,000	-
Investments					
Atanou S.r.l.	Subsidiary	-	15,25,200	-	15,25,200
IRIS Business Services, LLC	Subsidiary	-	1,45,39,880	85,78,700	1,45,39,880
IRIS Business Services (Asia) Pte. Ltd.	Subsidiary	-	1,11,95,389	-	1,11,95,389
IRIS Logix Solutions Private Limited	Subsidiary	-	7,60,000	7,60,000	7,60,000
Remuneration					
S. Swaminathan	Promoter Director	30,00,000	1,24,62,402	30,00,000	1,01,46,854
Deeptha Rangarajan	Promoter Director	30,00,000	24,86,930	30,00,000	27,63,507
K. Balachandran	Promoter Director	30,00,000	27,17,390	30,00,000	30,23,693
Jay Mistry	Company Secretary	12,97,440	-	12,32,581	98,430
Reimbursement of Expenses					
S. Swaminathan	Promoter Director	1,90,633	-	19,14,442	-
Deeptha Rangarajan	Promoter Director	3,73,636	-	5,67,275	-
K. Balachandran	Promoter Director	11,011	-	17,00,500	-
Jay Mistry	Company Secretary	53,371	-	7,031	-
Receivables Against Expenses Incurred on Behalf of Subsidiaries					
IRIS Business Services (Asia) Pte. Ltd.		-	5,98,734	-	36,49,315
Sitting Fees					
Ashok Venkatramani		2,75,000	-	1,95,000	-
Bhaswar Mukherjee		3,00,000	-	2,70,000	-
Haseeb A Drabu		1,25,000	-	-	-
Vinod Balmukand Agarwala		2,75,000	-	2,20,000	-

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 32 Details of Movement in Provisions and Contingent Liabilities, in terms of Accounting Standard 29 is as under: (Amount in ₹)

Particulars	Opening Balance as on 01/04/2020	Additions during the year	Reversal/ adjustments	Closing Balance as on 31/03/2021
Nature of Provision				
Provision for Income Tax	6,00,34,789	-	6,00,34,789	-
Provision for Deferred Tax (Asset)/ Liability	58,34,163	-	58,34,163	-
Provision for Gratuity	3,12,34,662	90,43,918	49,94,291	3,52,84,289
Provision for leave encashment	58,74,415	40,64,332	-	99,38,747
Provisions in respect of Employee Benefits	5,18,28,827	76,98,555	77,71,761	5,17,55,621
Provision for Bad & Doubtful Debts	5,77,905	25,06,722	5,77,905	25,06,722
Provision for Other Expenses	-	7,31,013	-	7,31,013
Provision for Forward Cover Payable	23,400	-	23,400	-
Provision for Warranty	-	4,81,235	-	4,81,235
Movements in Contingent Liabilities				
Contingent Liabilities	2,36,01,814	-	2,34,27,414	1,74,400

Note 33 Expenditure and Earnings in Foreign Currency (Amount in ₹)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Expenditure in Foreign Currency on Account of		
Professional/ Consultation Fees	2,20,95,228	73,08,611
Foreign Travel	40,25,974	1,38,20,194
Business Promotion/ Conference Expenses	43,050	66,847
Sales and Marketing Expenses	34,67,664	39,34,252
Software License Fess	36,98,987	65,00,826
Membership, Subscription Fees	9,36,772	8,11,625
Commission Paid	24,78,817	12,31,950
Kuwait Retention Expenses	-	1,85,492
Others Expenses	15,370	8,66,300
Earnings in foreign exchange:		
Export of Services	30,79,32,265	28,00,01,237
Less: Withholding tax Thereon	(28,62,107)	(45,96,292)
Net Earnings	30,50,70,158	27,54,04,945
Withholding tax - previous years	(10,38,792)	(16,25,138)
Royalty	10,143	30,848
Less: Withholding tax Thereon	(2,441)	(8,773)
Net Earnings	7,702	22,075

Note 34 Activities of Subsidiary “IRIS Business Services, LLC”

As at 31st March 2021, IRIS Business Services, LLC total liabilities exceeded its total assets by USD 1,79,449.23 (₹ 1,31,90,361.82) 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 by any financial crisis in the said subsidiary. Considering the future prospect of the subsidiary and continued support of Parent, the investment in the subsidiary is measured at cost itself.

Notes to the Standalone Financial Statements for the year ended March 31, 2021

Note 35 In the opinion of the Board, all assets other than Property, plant and equipment 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 36 The outbreak of COVID-19 pandemic caused a slowdown of economic activity in FY2021. Many countries including India continue to be impacted by the pandemic and lockdowns of varied nature that has been imposed by the Central and State governments of India from time to time. The travel restrictions and lockdowns have caused a slowdown in acquisition of new business especially from the regulatory segment which could have an impact on our near term future revenues. While the pandemic is still unfolding and while it is challenging to predict the full economic fall out of the contagion, we have undertaken an internal assessment to understand the impact on our business and on the carrying amounts of assets. After examining various factors, we have come to the view that the company expects to recover the carrying amount of these assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The company will keep monitoring the uncertainties caused by the pandemic to assess its impact on our future economic conditions.

Note 37 Previous year’s figures have been rearranged and regrouped wherever necessary so as to make them comparable with those of the current year.

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Registration No.105146W / W100621

Hasmukh B Dedhia
Partner
Membership No. 033494

Place: Mumbai
Date : May 22, 2021

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

Swaminathan Subramaniam
Whole Time Director & CEO
DIN: 01185930

Balachandran Krishnan
Whole Time Director & CFO
DIN: 00080055

Deepta Rangarajan
Whole Time Director
DIN: 00404072

Jay Mistry
Company Secretary

INDEPENDENT AUDITOR’S REPORT

To the Members of
IRIS Business Services Limited

Report on the Audit of the Consolidated Financial Statements Opinion

1. We have audited the accompanying Consolidated Financial Statements of IRIS Business Services Limited (‘the Holding Company’) and its Subsidiaries (The holding company and its subsidiaries collectively referred to as the ‘Group’), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (‘Consolidated Financial Statements’ or ‘CFS’).

In our opinion and to the best of our information and according to the explanations given to us, and based on the considerations of reports of other auditors on separate financial statements of such subsidiary as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (‘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 financial position of the Group as at March 31, 2021, and their consolidated financial performance and their consolidated cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of

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

Going Concern

3. Attention is invited to Note No 33 to the Consolidated Financial Statement where it is mentioned that financial statements of a subsidiary IRIS Business Services, LLC are prepared on going concern basis despite the liabilities thereof exceeding the total assets, having regard to business plans of that subsidiary, and continued financial support from the Holding Company. Our report is not modified in respect of this matter.

Emphasis of Matter

4. Attention is invited to Note No 35 to the Consolidated Financial Statements regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management on its operations and financial reporting for the year ended March 31, 2021; such an assessment, as made by the management, is dependent on the circumstances as they evolve in the subsequent periods. Our report is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters (“KAM”) are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year under audit. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our professional judgement, we have decided the following to be the key audit matter to be communicated in our report.

Sr.No.	KAM and the basis for considering it so.	How the KAM is addressed in the audit
1	Impairment of Intangibles: As on March 31, 2021, Group's Intangibles Assets is measured at ₹ 1,207.96 Lakhs which includes capitalized software / application development costs. The Holding Company is required to review these for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, and at least annually, review whether there is any change in their expected useful lives. Based on the recoverable amount determined of the underlying assets, supported by value-in-use calculations which are based on estimates of future discounted cash flows, management concluded that there are no indications of impairment in its intangible and other assets.	Our audit tests include as under: <ul style="list-style-type: none">• We obtained management's future cash flow forecasts and assessed the methodology of determination of future cash flow to obtain understanding of the usage of assets and impairment model.• Tested the arithmetical accuracy of the underlying value-in-use calculations.• Assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, gross profit margin, net profit margin, perpetual growth rate and discount rates. When assessing these key assumptions, we discussed them with management to understand and evaluate management's basis for determining the assumptions.
	The assessments made by management involves significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows. These estimates and judgments may be affected by unexpected changes in future market or economic conditions, or discount rates applied.	<ul style="list-style-type: none">• Evaluated management's assessment on whether any events or change in circumstances indicate there may be a change in the expected useful lives of intangible assets.• Performing sensitivity analysis on revenue growth assumptions to assess the impact on forecasted cashflows.• Tested sensitivity analysis of potential revenue growth under each of the operating segments.
	Considering the use of such signification estimates and judgements, Impairment of Intangible is identified as Key Audit Matter	<ul style="list-style-type: none">• Obtained suitable representations from the management pertaining to key estimates.

Information Other than the Financial Statements and Auditor's Report Thereon

6. The Holding Company's Management and Board of Directors are responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, and such other disclosures related Information, excluding the financial statements and auditors report thereon ('Other Information').

The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.

Responsibility of Management for Consolidated Financial Statements

7. The Holding Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements 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 prescribed Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective entities 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; 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 .

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

The respective Company's Management and the Board of Directors of the Holding Company and the companies included in the Group are responsible for overseeing the financial reporting process.

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

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

Other Matters

9. In view of restricted movements and partial lockdown imposed by the Authorities to prevent the spread of COVID-19 Pandemic, the processes of audit finalisation were carried out from remote locations i.e., other than the Office of the Holding Company, where books of accounts and other records are kept, based on the data/details made available and based on financial information/records remitted by the management through digital medium. Being constrained, we resorted to and relied upon the results of the related alternate audit procedures to obtain sufficient and appropriate audit evidence for the significant matters in course of our audit. Our report is not modified in respect of this matter.
10. We did not audit the financial statement of one foreign subsidiary Company, whose financial statement reflect total assets of ₹ 1,84,19,565/- as at March 31, 2021 and total revenues of ₹ 3,33,59,304/- and net cash inflows amounting to of ₹ 66,99,237/- 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 is based solely on the reports of the other auditor. Our report is not modified in respect of this matter.

11. We did not audit the financial statements of two foreign subsidiary companies, whose financial statements reflect total assets of ₹ 97,31,882/- as at March 31, 2021 and total revenues of ₹ 1,03,11,825/- and net cash inflows of ₹ 52,36,931/- for the year ended on that date as considered in the Consolidated Financial Statements. 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. Our report is not modified in respect of this matter.
12. The comparative financial information of the Group for the year ended March 31, 2020 included in the Consolidated Financial Statements had been audited by the erstwhile auditors, who had expressed an unmodified opinion thereon as per their reports dated June 29, 2020, have been relied upon by us for the purpose of our audit of the Consolidated Financial Statements. Our opinion in not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. As required by section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Consolidated Financial Statements.
- b. In our opinion, proper books of account as required by law relating to the preparation of the Consolidated Financial Statements have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditor.
- 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.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31,

Annexure 1 to the Independent Auditors’ Report to the Members of IRIS Business Services Limited

[referred to in para 7 titled ‘Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements’]

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor’s Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

2021, taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on March 31, 2021 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 Group and the operating effectiveness of such controls, refer to our separate Report in Annexure 2.
- g. In terms of provisions of Section 197(16) of the Act, as per the information and explanations given, we report that the managerial remuneration paid by the Holding Company to its Directors is in accordance with provisions of Section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under:

- (i) There were no pending litigations which would materially impact Group’s consolidated 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 Holding Company.

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm’s Registration No.: 105146W/W100621

Hasmukh B. Dedhia
Partner
Membership No.: 033494
UDIN: 21033494AAAAGZ7870

Place: Mumbai

Date: May 22, 2021

Annexure 2 to the Independent Auditors’ Report to the Members of IRIS Business Services Limited

[referred to in paragraph 13(f) under ‘Report on Other Legal and Regulatory Requirements’]
Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of IRIS Business Services Limited (hereinafter referred to as ‘the Holding Company’) and its subsidiary companies, which are incorporated in India, as of that date, as applicable.

Opinion

In our opinion to the best of our information and according to the explanations given to us the Holding Company and its subsidiary company incorporated in India, have, 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, 2021, based on the internal control over financial reporting criteria established by the Holding 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.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which is companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 respective 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 (“the Act”)

Auditors’ Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance

Note issued by the ICAI and the Standards on Auditing, 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 consolidated 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 internal financial controls system over financial reporting of the Holding Company and its subsidiary company, which is incorporated in India.

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 Consolidated 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:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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

- (c) 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 Consolidated 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.

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Firm’s Registration No.: 105146W/W100621

Hasmukh B. Dedhia
Partner

Place: Mumbai
Date: May 22, 2021

Membership No.: 033494
UDIN: 21033494AAAAGZ7870:

Consolidated Balance Sheet as at March 31, 2021

(Amount in ₹)			
Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	18,92,31,620	18,87,91,620
(b) Reserves and surplus	4	8,54,36,301	5,75,03,265
2. Minority Interest		2,04,626	1,71,290
3. Share application money pending allotment		-	-
4. Non-current liabilities			
(a) Long-term borrowings	5	13,54,958	2,89,07,460
(b) Deferred tax liabilities (Net)		-	58,34,163
(c) Other Long term liabilities		-	-
(d) Long-term provisions	6	3,91,55,507	3,04,81,139
5. Current liabilities			
(a) Short-term borrowings	7	6,02,10,411	5,86,06,793
(b) Trade payables	8		
i) total outstanding dues of micro enterprises and small enterprises; and		2,89,237	26,71,023
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,22,08,844	2,02,01,300
(c) Other current liabilities	9	11,14,73,731	12,08,00,550
(d) Short-term provisions	10	5,90,35,398	5,84,56,765
TOTAL		56,86,00,633	57,24,25,368
II. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	11		
(i) Tangible assets		9,56,43,806	9,62,28,896
(ii) Intangible assets		12,07,95,866	16,99,15,615
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	32,95,420
(b) Long-term loans and advances	12	31,01,883	33,02,579
2. Current assets			
(a) Trade receivables	13	13,06,57,459	17,48,37,846
(b) Cash and Bank Balance	14	8,45,30,143	1,68,53,340
(c) Short-term loans and advances	15	50,82,278	93,06,853
(d) Other current assets	16	12,87,89,198	9,86,84,819
TOTAL		56,86,00,633	57,24,25,368

The accompanying policies and notes form an integral part of the financial statements

As per our Report of even date attached

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Registration No.105146W / W100621

Hasmukh B Dedhia
Partner
Membership No. 033494

Place: Mumbai
Date : May 22, 2021

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

Swaminathan Subramaniam
Whole Time Director & CEO
DIN: 01185930

Balachandran Krishnan
Whole Time Director & CFO
DIN: 00080055

Deepta Rangarajan
Whole Time Director
DIN: 00404072

Jay Mistry
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(Amount in ₹)			
Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I. Revenue from operations	17	56,30,78,643	50,99,76,517
II. Other income	18	28,69,126	57,61,423
III. Total Revenue (I + II)		56,59,47,769	51,57,37,940
IV. Expenses:			
Employee benefits expense	19	31,20,90,424	28,37,70,686
Finance costs	20	1,69,10,816	1,55,11,600
Depreciation and amortisation expense	21	6,23,63,081	6,16,46,331
Other expenses	22	15,26,58,645	14,93,74,715
Total expenses		54,40,22,967	51,03,03,331
V. Profit before exceptional and extraordinary items and tax (III - IV)		2,19,24,802	54,34,609
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		2,19,24,802	54,34,609
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		2,19,24,802	54,34,609
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(58,34,163)	4,32,287
(3) Tax expense / (income) for earlier years		5,50,901	3,81,913
XI. Profit (Loss) for the period from continuing operations (IX-X)		2,72,08,065	46,20,409
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)		2,72,08,065	46,20,409
XVI. Profit (Loss) attributable to minority interest		35,099	(42,976)
XVII. Profit (Loss) attributable to parent		2,71,72,965	46,63,385
XVIII. Earnings per equity share:			
(1) Basic		1.44	0.25
(2) Diluted		1.44	0.25

The accompanying policies and notes form an integral part of the financial statements

As per our Report of even date attached

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Registration No.105146W / W100621

Hasmukh B Dedhia
Partner
Membership No. 033494

Place: Mumbai
Date : May 22, 2021

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

Swaminathan Subramaniam
Whole Time Director & CEO
DIN: 01185930

Balachandran Krishnan
Whole Time Director & CFO
DIN: 00080055

Deepta Rangarajan
Whole Time Director
DIN: 00404072

Jay Mistry
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2021

Particulars	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,19,24,802	54,34,609
Adjustments for :		
Depreciation and Amortisation	6,23,63,081	6,16,46,331
Write-off of Withholding Tax	41,81,600	62,30,203
Expense on Employee Stock Option Scheme	(7,02,150)	91,424
Interest Expenses	1,29,38,485	1,34,71,419
Other Finance Charges	38,51,176	-
Interest Income	(20,25,544)	(13,18,797)
Other non-cash Items	1,54,175	(1,11,566)
Total	8,07,60,824	8,00,09,014
Operating Cash Profit before Working Capital Changes	10,26,85,626	8,54,43,623
(Increase) / Decrease in Sundry Debtors	4,91,09,175	(5,61,51,923)
(Increase) / Decrease in Short Term Loans & advances and Deposits	(2,20,39,777)	2,46,33,355
(Increase) / Decrease in Other Current Assets	(1,15,05,714)	(2,58,09,969)
(Increase) / Decrease in Long Term Loans and Advances	2,00,696	(28,28,169)
(Increase) / Decrease in Other Non - Current Assets	-	9,87,020
(Decrease) / Increase in Trade Payables	(3,74,242)	(82,57,494)
(Decrease) / Increase in Other Current Liabilities	(60,35,973)	83,66,188
(Decrease) / Increase in Long term Provisions	86,74,368	1,09,17,747
(Decrease) / Increase in Short term Provisions	5,78,633	(61,479)
Total	1,86,07,166	(4,82,04,724)
Taxes Paid	(88,52,770)	(1,91,94,058)
Net Cash Inflow / (Outflow) in course of Operating Activities (A)	11,24,40,022	1,80,44,842
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment (including capital advances)	(11,70,526)	(21,13,049)
In-house Software Products Capitalisation	(58,15,310)	(32,95,420)
Interest Income Received	18,44,802	13,35,537
Net Cash Inflow / (Outflow) in the course of Investing Activities (B)	(51,41,034)	(40,72,932)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital on account of issue of shares under ESOP	17,46,280	-
Proceeds / (Repayments) of Short Term Borrowing	16,03,618	(8,27,721)
Other Finance Charges	(38,51,176)	-
Repayment of Finance Lease Obligations	(2,80,850)	-
Repayment of Long Term Borrowings	(5,16,92,645)	(1,70,88,889)
Interest paid on Term Loans, Working Capital Loan and Finance Lease	(1,34,11,763)	(1,29,98,141)
Capital contribution from Minority interest holder	-	2,40,000
Net cash flow used in financing activities (C)	(6,58,86,536)	(3,06,74,751)
Net increase / (decrease) in Cash and cash equivalents (A + B + C)	4,14,12,451	(1,67,02,841)
Add: Balance of Cash and Cash Equivalents at the beginning of the year	74,22,672	2,41,25,513
Cash and Cash Equivalents at the close of the year	4,88,35,123	74,22,672
Cash and bank balance as per note 14 at the end of the year	8,45,30,143	1,68,53,340
Less: Term Deposits not considered as cash & cash equivalents as per AS-3	(3,56,95,020)	(94,30,668)
Cash and Cash Equivalents at the close of the year	4,88,35,123	74,22,672

The accompanying policies and notes form an integral part of the financial statements

As per our Report of even date attached

For **Khimji Kunverji & Co LLP**
Chartered Accountants
Registration No.105146W / W100621

Hasmukh B Dedhia
Partner
Membership No. 033494

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

Swaminathan Subramaniam
Whole Time Director & CEO
DIN: 01185930

Deepta Rangarajan
Whole Time Director
DIN: 00404072

Balachandran Krishnan
Whole Time Director & CFO
DIN: 00080055

Jay Mistry
Company Secretary

Place: Mumbai
Date : May 22, 2021

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

1 Corporate Information

IRIS Business Services Limited (“the Company” or “the Group”) 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 Group 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 22, 2021.

Name of Subsidiary	Country	% of holding	Year ended
IRIS Business Services, LLC	USA	100.00	31/03/21
IRIS Business Services (Asia) Pte. Ltd.	Singapore	98.36	31/03/21
Atanou S.r.l.	Italy	100.00	31/03/21
IRIS Logix Solutions Private Limited	India	76.00	31/03/21

2 Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

These Consolidated financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘Act’).

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. Although these estimates are based on the management’s best knowledge of current events and actions, the actual outcome may be different from the estimates. Differences between actual results and estimates are recognised in the period in which the results are known or materialise.

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 period between the acquisition and development of asset 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

- iii. 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.

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 year end 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 recognised when no significant uncertainty exists as to either the measurement or ultimate realisation of the same.

Revenue from Operations

- i. Revenue from contracts for development or customisation 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 customisation are recognised upon delivery of the software to the clients and subscription income is recognised as revenue 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 recognised on accrual basis.
- ii. Rental income is recorded on accrual basis.
- iii. Any other income is recognised on accrual basis, when no significant uncertainty as to measurability or collectability exists.

2.5 Property, Plant and Equipment

Tangible Property, plant and equipment 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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 Property, plant and equipment 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 Group.

2.6 Depreciation & Amortisation

Tangible Property, plant and equipment 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. Leasehold Laptop & desktops is amortised over the lease term.

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

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

Assets type	Useful life (in Years)
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.

Fixed Asset	Rate followed by Subsidiary	Rate followed by the holding Company
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 Group 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

2.9 Provisions and Contingent Liabilities

The Group 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 recognised in the financial statements.

2.10 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.

The Company uses Foreign exchange forward contracts ('Forwards') to hedge part of its exposure to the movement in foreign exchange. The use of these Forwards reduces the risks or cost to the Company and it does not use them for trading or speculation purpose. In case of Forwards or any other financial instrument which is in substance a Forwards (other than a firm commitment or a highly probable forecast) to hedge the foreign currency risk, the premium or discount arising at the inception of the Forwards is amortised as expense or income over the life of the Forwards on straight line basis. Exchange difference on such Forwards are recognised in the Statement of profit and loss in the reporting period in which the exchange rate changes. Gain or loss on settlement of transaction arising on cancellation or renewal of such Forwards is recognised as income or as expense for the period.

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 recognised 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 recognised 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 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 Accountants 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 amortised portion of value of lapsed portion and a debit to share options outstanding account equal to the un-amortised portion.

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

2.14 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.

2.15 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.

2.16 Goods and Services Tax (GST)

The Goods and Services Tax, namely CGST, SGST and IGST, hereinafter referred to as GST, was levied on the sale of products and services rendered by the Company and as per the provisions of the applicable GST Act. The Input tax Credit was claimed in respect of eligible expenses and shall be adjusted against the GST payable as per the provisions of the applicable GST Act. The unutilised input credit under the GST provisions as on the Balance Sheet date was disclosed as other current asset in the Balance Sheet.

2.17 Segment Reporting

The Group 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 Group. 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".

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

2.18 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.

2.19 Cash and Bank Balance

Cash is defined to include cash on hand and demand deposits with banks. Cash Equivalents are defined as short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Further, bank balances include balances held as margin money or security against borrowings , guarantees & other commitments

2.20 Provision for Warranty

As per the terms of our Fixed price Implementation contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and technical estimates.

2.21 Borrowing Costs

Borrowing costs include interest and ancillary costs incurred in connection with the borrowings. Borrowing costs in connection with the borrowing of funds, to the extent attributable to the acquisition or construction of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 3 Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 10/- each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
Issued				
Equity Shares of ₹ 10/- each	1,89,23,162	18,92,31,620	1,88,79,162	18,87,91,620
Subscribed & Paid up				
Equity Shares of ₹ 10/- each fully paid	1,89,23,162	18,92,31,620	1,88,79,162	18,87,91,620
Total	1,89,23,162	18,92,31,620	1,88,79,162	18,87,91,620

Reconciliation of shares outstanding at the beginning and at the end of the reporting period.

Particulars	Equity Shares		Equity Shares	
	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	1,88,79,162	18,87,91,620	1,88,79,162	18,87,91,620
Shares Issued during the year	44,000	4,40,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,89,23,162	18,92,31,620	1,88,79,162	18,87,91,620

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	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
S Swaminathan	47,72,168	25.22	47,72,168	25.28
Vistra ITCL India Limited (Trustee for Shubkam Growth Fund I)			39,07,598	20.70
FLOWERS VALLEY PRIVATE LIMITED	12,28,940	6.49		
Deepta Rangarajan	14,46,052	7.64	14,46,052	7.66
K Balachandran	11,04,000	5.83	11,04,000	5.85
Madhuri Kela	10,72,000	5.67	10,72,000	5.68
SUBHKAM VENTURES I PVT LTD	10,18,711	5.38	-	-
Total	1,06,41,871		1,23,01,818	

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 March 31, 2021	As at March 31, 2020
Number of shares to be issued under the Employee Stock Option Plans	4,50,000	5,47,000

[Refer note 27 for details of shares to be issued under the Employee Stock Option Scheme.]

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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)				
	2020-21	2019-20	2018-19	2017-18	2016-17
Equity Shares :	-	-	-	-	-
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	69,37,581	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

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 and Surplus

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
a. Securities Premium		
Opening Balance	11,08,26,740	11,08,26,740
Add : Securities premium credited on share issue	13,06,280	-
Less : Premium Utilised for various reasons		
For Issuing Bonus Shares	-	-
Closing Balance	11,21,33,020	11,08,26,740
b. Share Options Outstanding Account		
Opening Balance	39,53,672	38,62,248
Add: Amounts recorded on grants/modifications/cancellations during the year	-	91,424
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	7,02,150	-
Closing Balance	32,51,522	39,53,672
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	(15,99,656)	(17,55,597)
e. Surplus		
Opening balance	(5,59,96,550)	(6,06,59,935)
(+) Net Profit/(Net Loss) For the current year	2,71,72,965	46,63,385
Closing Balance	(2,88,23,585)	(5,59,96,550)
Total	8,54,36,301	5,75,03,265

*Note :
General Reserve, a free reserve, is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 5 Long Term Borrowings

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Secured		
(a) Term loans *		
from Banks	-	2,89,07,460
(b) Long-term maturities of finance lease obligations	13,54,958	-
Total	13,54,958	2,89,07,460

* The term loan with Federal Bank has been taken over by ICICI Bank. However, the takeover process is yet to be completed in all respect as on 31st March 2021.

(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 - 1 Year MCLR + 4.5% Interest Rate charged from 01-Apr-2019 to 23-Sep-2019 - 10.79% and wef. 24-Sep-2019 13.50% (Previous year 10.79%)

Repayable in 84 months in 28 quarterly instalments. Secured by: Primary: Exclusive charge by way of EM on lease hold rights on T-231, 3rd Floor, Tower No. 2, International Infotech Park, Vashi, Navi Mumbai - 400 703.

Note 6 Long-Term Provisions

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
- Gratuity	3,16,33,856	2,63,90,215
- Leave Encashment	75,21,651	40,90,924
Total	3,91,55,507	3,04,81,139

Note 7 Short Term Borrowings

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Secured		
(a) Loans repayable on demand		
from banks	6,02,10,411	5,86,06,793
Total	6,02,10,411	5,86,06,793

Exclusive charge by way of :

- Equitable mortgage on the Commercial Property T-231, 3rd Floor, Tower No. 2, International Infotech Park, Vashi, Navi Mumbai - 400 703.
- hypothecation of the Company's entire stocks & book-debts.

This facility is personal guaranteed by executive directors of the company.

Note 8 Trade Payables

Particulars	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
(a) total outstanding dues of micro enterprises and small enterprises; and	2,89,237	26,71,023
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2,22,08,844	2,02,01,300
Total	2,24,98,081	2,28,72,323

Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED 2006) have been determined based on the information as available with the Company and the details of amount outstanding due to them are as given below:

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2,89,237	26,71,023
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	2,89,237	26,71,023

Note 9 Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Current maturities of long-term debt	-	2,27,85,185
(b) Current maturities of finance lease obligations	7,41,178	-
(c) Interest accrued but not due on borrowings	-	4,73,278
(d) Income received in advance	3,62,29,904	3,10,44,705
(e) Other Payables		
- Statutory Dues	94,97,864	65,76,617
- Amounts Payable to staff against Expenses incurred	2,09,09,170	96,87,566
- Salaries, Wages & Bonus Payable	2,36,92,406	3,46,54,308
- Contribution to PF / ESIC / MLWF Payable	10,13,337	9,49,827
- Accrued expenses	1,85,23,591	1,35,31,200
- Others	8,66,281	10,97,864
Total	11,14,73,731	12,08,00,550

Note 10 Short Term Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits		
- Incentives	5,17,55,621	5,18,28,827
- Gratuity	36,50,433	48,44,447
- Leave Encashment	24,17,096	17,83,491
(b) Provision - Others		
- Provision for warranty	4,81,235	-
- Others	7,31,013	-
Total	5,90,35,398	5,84,56,765

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 11 Property, Plant and Equipment

Particulars	Gross Block				Accumulated Depreciation and Impairment				Net Block	
	Balance as at April 01, 2020	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance As at March 31, 2021	Balance As at April 01, 2020	Depreciation charge at March 31, 2021	Adjustment due to revaluations / Impairment	Balance As at March 31, 2020	Balance As at March 31, 2021
a. Tangible Assets										
Leasehold										
Buildings	10,70,93,510	-	-	-	10,70,93,510	1,45,42,313	19,47,156	-	9,25,51,197	9,06,04,041
Freehold										
Plant and Equipment	5,77,05,865	11,63,026	-	-	5,88,68,891	5,44,60,935	17,61,359	-	32,44,930	26,46,597
Leased Assets										
Plant and Equipment	-	23,76,986			23,76,986	-	2,64,110		-	21,12,876
Taken under finance lease										
Furniture and Fixtures	39,31,416	-	-	-	39,31,416	35,00,708	1,57,020	-	4,30,708	2,73,688
Office equipment	50,77,144	7,500	-	-	50,84,644	50,75,083	2,957	-	2,061	6,604
Total	17,38,07,935	35,47,512	-	-	17,73,55,447	7,75,79,039	41,32,602	-	9,62,28,896	9,56,43,806
b. Intangible Assets										
Database	6,00,450	-	-	-	6,00,450	6,00,450	-	-	-	-
URL's	5,00,000	-	-	-	5,00,000	5,00,000	-	-	-	-
Computer software	1,52,87,382	-	-	-	1,52,87,382	1,43,33,204	5,55,828	-	9,54,178	3,98,350
Software developed in-house	46,33,41,720	58,15,310	-	-	46,91,57,030	29,10,84,863	5,76,74,650	-	17,22,56,857	12,03,97,517
Total	47,97,29,552	58,15,310	-	-	48,55,44,862	30,65,18,517	5,82,30,478	-	17,32,11,035	12,07,95,866
c. Capital Work In Progress	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
d. Intangible assets under Development										
Total	65,35,37,487	93,62,822	-	-	66,29,00,309	38,40,97,556	6,23,63,080	-	26,94,39,931	21,64,39,672
Previous Year	64,67,37,905	52,13,919	-	-	65,19,51,824	32,10,60,257	6,16,46,331	-	32,56,77,648	26,94,39,786

Note:
1. Leasehold building has been taken on lease from CIDCO Ltd. for a period of 60 years

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 12 Long Term Loans and Advances

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits		
Unsecured, considered good	31,01,883	33,02,579
Total	31,01,883	33,02,579

Note 13 Trade Receivables

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	11,59,82,487	10,96,97,058
Unsecured, considered doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
	11,59,82,487	10,96,97,058
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	1,46,74,972	6,51,40,789
Unsecured, considered doubtful	25,06,722	5,77,905
Less: Allowance for bad and doubtful debts	(25,06,722)	(5,77,905)
	1,46,74,972	6,51,40,789
Total	13,06,57,459	17,48,37,846

Trade Receivable stated above include debts due by:

Particulars	As at March 31, 2021	As at March 31, 2020
Partnership of Director	5,48,821	65,96,266
Private Company in which director is a member	12,10,991	12,10,991
Total	17,59,812	78,07,257

Note 14 Cash & Bank Balance

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
A. Cash and cash equivalents		
a. Balances with banks	3,07,22,287	45,72,439
b. Cash on hand	21,267	25,912
c. Deposits with Original Maturity less than or equal to 3 months	1,00,00,000	-
d. Deposits with Original Maturity less than or equal to 3 months (held as margin money or security against the borrowings, guarantees, other commitments)	80,91,569	28,24,320
B. Other Bank Balances		
a. Deposits with remaining maturity of 12 months or less (held as margin money or security against the borrowings, guarantees, other commitments)	3,56,95,020	94,30,668
Total	8,45,30,143	1,68,53,340

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 15 Short-Term Loans and Advances

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Others		
Unsecured, considered good		
Prepaid Expenses	50,05,989	90,81,116
Loans to Staff	74,998	2,18,736
Advances to Staff	1,291	7,001
Total	50,82,278	93,06,853

Note 16 Other Current Assets

(Amount in ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Interest Accrued on Fixed Deposits	6,27,023	4,46,281
Taxes on Income	4,26,75,611	3,84,44,643
GST Refund	1,86,097	1,86,097
GST Input Credit	7,96,313	7,19,903
Unbilled Revenue	7,93,81,957	5,50,19,759
Others	51,22,197	38,68,136
Total	12,87,89,198	9,86,84,819

Note 17 Revenue from Operations

(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	21,40,28,012	12,48,76,585
Sale of services *	34,90,50,631	38,50,99,932
Total	56,30,78,643	50,99,76,517

* Includes Platform Implementation & Services

Note 18 Other Income

(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income	20,25,544	13,18,797
Net exchanges gain	-	31,31,741
Reversal of Provision no longer required	5,77,905	9,60,274
Other non-operating income	2,65,677	3,50,611
Total	28,69,126	57,61,423

Note 19 Employee Benefits Expense

(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	29,51,88,356	26,62,14,844
Contribution to provident and other funds	1,44,74,839	1,44,43,999
Staff welfare expenses	27,91,099	30,20,419
Expense on Employee Stock Option Scheme (ESOP)	(3,63,870)	91,424
Total	31,20,90,424	28,37,70,686

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 20 Finance Cost		
(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense	1,08,65,653	1,34,71,419
Other borrowing costs	21,93,987	20,40,181
Loan processing charges	17,78,344	-
Loan foreclosure charges	20,72,832	-
Total	1,69,10,816	1,55,11,600

Note 21 Depreciation and Amortisation Expenses		
(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation and amortisation	6,23,63,081	6,16,46,331
Total	6,23,63,081	6,16,46,331

Note 22(a) Other Expenses (I)		
(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Legal, Professional and Consultancy Fees	2,34,10,555	1,55,78,458
Directors' Sitting Fees	9,75,000	6,85,000
Travelling and Conveyance	13,53,226	50,96,777
STPI / Non-STPI - Annual Service Charges	2,50,000	2,50,000
Commission / Brokerage Charges	29,89,897	15,16,450
Postage, Telephone & Communication Charges	54,70,588	39,43,803
Advertisement Expenses	2,22,070	4,75,804
Printing & Stationery	1,54,617	3,44,025
Business Promotion Expenses	20,747	10,90,153
Foreign Travel Expenses	66,32,983	2,78,05,136
Marketing and Sales Expenses	36,57,974	-
Donation	-	76,001
Partner fees	5,06,10,578	3,28,88,517
Software Development Expenses	39,80,431	48,15,750
Conference Expenses	5,67,742	6,26,965
Data Sourcing Expenses	3,01,902	4,05,829
Internet Co-Location Charges	71,23,559	82,18,288
Membership Fees	14,30,334	7,47,904
Registry Maintenance Expenses	73,000	74,905
Forward Cover losses	35,100	1,23,400
Office Maintenance Expenses	30,07,748	29,82,362
Repairs & Maintenance Expenses	2,27,262	2,07,732
Staff Recruitment Charges	1,09,775	6,43,970
Kuwait Retention Expenses	-	1,85,492
Software License & Hardware Fees	2,02,13,258	1,56,57,634
Provision for Doubtful Debts	27,39,506	12,41,992
Sundry Balance Written-Off	43,76,410	66,98,603
Exchange Loss	26,52,005	-
Listing Expenses	2,70,705	5,20,136
Total	14,28,56,972	13,29,01,086

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 22(b) Other Expenses (II)		
(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Payment to auditors as		
Auditor	8,50,000	8,90,000
For other services	15,000	66,000
Reimbursement of expenses	41,950	23,950
Total	9,06,950	9,79,950

Note 22(c) Other Expenses (III)		
(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Prior year Adjustments (Net) Expense / (Income)	29,758	2,22,452
Total	29,758	2,22,452

Note 22(d) Other Expenses (IV)		
(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Electricity & Water Charges	23,83,527	53,05,567
(b) Rent	22,08,998	48,46,211
(c) Repairs to machinery	5,64,566	7,29,332
(d) Insurance	9,06,041	9,93,810
(e) Rates and taxes, excluding, taxes on income	8,59,997	10,12,772
(f) Miscellaneous expenses	19,41,836	23,83,535
Total	88,64,965	1,52,71,227
Note 22(a+b+c+d)	15,26,58,645	14,93,74,715

Note 23 Contingent Liabilities and Commitments		
(Amount in ₹)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	1,74,400	1,74,400
Disputed EPFO demand		
- Relating to May-2005 to May-2007 and pending before Honorable High Court of Bombay		
(ii) Commitments		
(a) Revenue Commitment	-	8,00,000
Total	1,74,400	9,74,400

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 24 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 ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets in respect of:		
Provision for Gratuity & Leave Encashment	1,17,57,989	96,48,360
Provision for Bad Debts	6,51,748	1,50,255
Provision for Bonus	1,34,56,462	1,34,75,495
Provision for warranty	1,25,121	-
Provision for rent lease assets	5,44,995	-
Total	2,65,36,315	2,32,74,110
Deferred tax liabilities in respect of:		
Depreciation & Amortisation	2,63,59,021	2,91,08,273
Total	2,63,59,021	2,91,08,273
Net Deferred Tax Asset / (Liability)	1,77,294	(58,34,163)
Deferred tax expenses (Net)	(58,34,163)	4,32,287

Note- Considering prudence, the company has refrained from creating Deffered Tax Asset

Minimum Alternative Tax (MAT) Credit

In accordance with accounting policy of the company, MAT credit balance not recognised as an assets as at 31.03.2021 is ₹ 3,75,54,770/- (As at 31.03.2020 is ₹ 3,75,54,770/-).

Note 25 Finance Leases

The Company has entered into finance lease arrangements for certain office equipments (Laptops & Desktops), which provide an option to purchase the assets at the end of the lease period.

The ownership of the equipments remains with the lessor and they retain all the risks and reward incidental to the ownership of the assets.

(Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Reconciliation of minimum lease payments		
Future minimum lease payments		
not later than one year	8,89,413	NIL
later than one year and not later than five years	14,82,355	NIL
later than five years	NIL	NIL
Less: Unmatured finance charges		
Present value of minimum lease payments payable		
not later than one year	7,30,453	NIL
later than one year and not later than five years	13,65,683	NIL
later than five years	NIL	NIL

Contingent rents recognised as expense during the year (state basis).

Future minimum sublease payments expected to be received under non-cancellable subleases.

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 26.1 Employee Benefits

The disclosures required as per the revised Accounting Standard (AS) 15 -Employee Benefits (revised 2005) are as under:

Amount recognised as an expense and included in the Contribution to provident & other funds amounts to ₹ 1,44,78,839/- (Previous year ₹1,44,43,999/-).

Defined benefit plan (Gratuity) - As per the independent actuarial valuation carried out as at March 31, 2021 (Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
(A) Change in Present Value of Obligation		
Defined Benefit Obligation, Beginning of Period	3,59,77,671	2,71,53,000
Service Cost	49,85,699	37,56,939
Interest Cost	24,04,421	19,83,822
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	18,30,400	38,98,621
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefit paid directly by the Company	(17,85,723)	(8,14,711)
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	4,34,12,468	3,59,77,671
(B) Change in Fair Value of plan assets		
Fair value of Plan Assets, Beginning of Period	47,43,009	53,08,667
Expected Return on Plan Assets	3,16,359	3,94,434
Actual Company Contributions	49,94,291	7,074
Actual Plan Participants' Contributions	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	(1,39,757)	(1,52,455)
Benefits Paid by the insurer	(17,85,723)	(8,14,711)
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
Fair value of Plan Assets, End of Period	81,28,179	47,43,009
(C) Amount recognised in the Balance Sheet		
Defined Benefit Obligation	4,34,12,468	3,59,77,671
Fair value of Plan Assets	81,28,179	47,43,009
Funded Status - (Surplus)/Deficit	3,52,84,289	3,12,34,662
Past Service Cost not yet Recognised	-	-
Unrecognised Asset due to Limit in Para 58(B)	-	-
(Asset)/Liability Recognised in the Balance Sheet	3,52,84,289	3,12,34,662
(D) Net Gratuity Cost		
Service Cost	49,85,699	37,56,939
Interest Cost	24,04,421	19,83,822
Expected Return on Plan Assets	(3,16,359)	(3,94,434)
Past Service Cost	-	-
Net Actuarial Losses/(Gains) Recognised during the period	19,70,157	40,51,076
(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"	90,43,918	93,97,403

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 26.1 Employee benefits (contd.) (Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Assumptions used in accounting for gratuity costs		
Date of Valuation		
Discount Rate	6.97%	6.67%
Salary Escalation Rate	9.00%	8.00%
Expected Rate of Return on Assets	6.97%	6.67%
Demographic Assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/ Withdrawal Rate	12.00%	15.00%
Retirement Age	60 years	60 years

Note 26.2 Provision for Leave Encashment
Accounting Standard 15 (Revised 2005) Disclosures

Particulars	As at March 31, 2021	As at March 31, 2020
Amounts Recognised in Statement of Profit & Loss at Period-End		
Service Cost	10,75,247	6,31,033
Interest Cost	3,68,204	2,54,493
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Net Actuarial Losses/(Gains) Recognised during the period	26,20,881	11,54,287
(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"	40,64,332	20,39,813
Change in Defined Benefit Obligation during the Period		
Defined Benefit Obligation, Beginning of Period	58,74,415	38,34,602
Service Cost	10,75,247	6,31,033
Interest Cost	3,68,204	2,54,493
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	26,20,881	11,54,287
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	99,38,747	58,74,415
Reconciliation of Amounts recognised in Balance Sheet		
Balance Sheet (Asset)/Liability, Beginning of Period	58,74,415	38,34,602
Total Expense/(Income) Recognised in Profit & Loss	40,64,332	20,39,813
Acquisition/Business Combination/Divestiture	-	-
Benefit Payouts	-	-
Balance Sheet (Asset)/Liability, End of Period	99,38,747	58,74,415

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 26.2 Provision for Leave Encashment (contd.) (Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Assumptions used in accounting for leave encashment		
Date of Valuation		
Discount Rate	6.97%	6.67%
Salary Escalation Rate	9.00%	8.00%
Expected Rate of Return on Assets	NA	NA
Demographic Assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/ Withdrawal Rate	12.00%	15.00%
Retirement Age	60 years	60 years
Leave Availment Ratio	10%	10%

Note 27 Employee Stock Option Scheme

The Group provides share-based payment schemes to its employees. The relevant details of the scheme are as follows:

On September 11, 2017, the Board of Directors approved the “IRIS Business Services Limited – Employee Stock Option Scheme 2017” (“Scheme”) 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 with an intent to attract and retain talent in the organisation. The aforesaid Scheme was duly approved by shareholders in its Extra-Ordinary General Meeting held on September 13, 2017. The Nomination and Remuneration committee of the Board has granted options under the said Scheme to certain category of employees as per criteria laid down by Nomination and Remuneration committee of the Board.

The shareholders approved the ratification of the Scheme and extension of the benefits of the Scheme to the employees of Subsidiary Company(ies) by Special Resolutions through Postal Ballot on March 29, 2019. 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 2021 (Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
No. of Options Outstanding at the beginning of the year	5,47,000	5,52,000
Options Granted during the year	-	-
Options exercised during the year *	44,000	-
Options Forfeited / Cancelled / Surrendered during the year	-	-
Options Lapsed during the year	53,000	5,000
Number of options Outstanding at the end of the year	4,50,000	5,47,000

* The company has allotted the shares

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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.

Particulars	As at March 31, 2021	As at March 31, 2020
Variables		
Risk Free Interest rate	6.61% to 7.00%	6.61% to 7.00%
Expected Life (in Years)	3.5 Years to 6.5 Years	3.5 Years to 6.5 Years
Expected Volatility	11.73%	11.73%
Dividend Yield	0.00%	0.00%
Stock Price (in ₹)	32	32
Exercise Price (in ₹)	32	32

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.

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.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 28 Segment Reporting

The Group 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. Property, plant and equipment 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 group are Middle Eastern Countries, America (including Canada and South American countries), Europe, India and Others:

Reporting of Segment wise Revenue, Results		(Amount in ₹)
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1. Segment Revenue		
(net sale/income from each segment should be disclosed under this head)		
(a) Segment – Collect	23,94,49,464	29,30,32,739
(b) Segment – Create	29,39,12,020	18,62,28,794
(c) Segment – Consume	2,97,17,159	3,07,14,984
(d) Unallocated	-	-
Less: Inter Segment Revenue	-	-
Net sales/Income From Operations	56,30,78,643	50,99,76,517
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)		
(a) Segment – Collect	3,70,05,078	9,63,62,175
(b) Segment – Create	5,81,34,490	(1,57,77,036)
(c) Segment – Consume	31,40,549	(36,78,926)
(d) Unallocated	27,81,883	55,96,049
Total	10,10,62,000	8,25,02,261
Less: i) Interest	1,68,06,936	1,54,21,322
ii) Depreciation & Amortisation	6,23,30,262	6,16,46,331
iii) Other non-cash un-allocable expenses	-	-
iv) Other Un-allocable Expenditure net off Un-allocable income	-	-
Total Profit Before Tax	2,19,24,802	54,34,609
3. Segment Assets		
(a) Segment – Collect	7,18,70,533	12,66,68,977
(b) Segment – Create	10,00,48,700	9,01,41,015
(c) Segment – Consume	10,17,94,199	13,94,36,736
(d) Unallocated	29,48,87,201	21,61,78,640
Total Assets	56,86,00,633	57,24,25,368

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 28 Segment Reporting (contd.)		(Amount in ₹)
Particulars	As at March 31, 2021	As at March 31, 2020
4. Segment Liabilities		
(a) Segment – Collect	1,38,88,106	86,41,814
(b) Segment – Create	2,66,69,112	1,62,59,215
(c) Segment – Consume	-	24,17,743
(d) Unallocated	25,33,75,494	29,88,11,711
Total Liabilities	29,39,32,712	32,61,30,483
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 Property, plant and equipment);		
(a) Segment – Collect	75,255	-
(b) Segment – Create	58,15,310	32,95,420
(c) Segment – Consume	-	-
(d) Unallocated	10,95,271	21,13,049
Total	69,85,836	54,08,469
Revenues by Geography:		(Amount in ₹)
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Geography		
Asia Pacific	4,28,32,255	4,02,52,621
India	22,26,94,168	20,88,46,031
Europe	11,13,75,435	4,77,12,911
Middle East	7,66,14,031	12,39,69,951
Africa	9,77,72,682	8,19,94,942
America	1,17,90,071	72,00,061
Total	56,30,78,642	50,99,76,517
Segment assets by Geography:		
India	57,39,86,720	58,99,07,147
Capital assets acquired during the period by Geography:		
India	62,36,255	54,08,469

Note 29 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:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net Profit for the Year	2,71,72,965	46,63,385
Number of Equity Outstanding at the beginning of the year	1,88,79,162	1,88,79,162
Adjusted Equity Shares outstanding at the beginning of the year	1,88,79,162	1,88,79,162
Issue of Equity Shares (30.03.2021)	44,000	-
Weighted Average No. of Shares - Basic	1,88,79,403	1,88,79,162
Stock options Granted at exercise price of	32	32
Fair Value of shares	28	22

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 29 Earnings Per Share (contd.)		(Amount in ₹)
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Options granted	4,50,000	5,47,000
Equitable number of options granted at fair value	5,16,222	7,83,164
So Equity options issued at no consideration		
Issue of potential Equity shares (11-10-17)	-	-
Weighted Average No. of Shares - Diluted	1,88,79,403	1,88,79,162
(Since the potential dilutive equity shares are anti-dilutive no. of shares considered for diluted EPS is same as basic EPS)		
EPS - Basic	1.44	0.25
EPS - Diluted	1.44	0.25
Nominal value of each Equity Share	10.00	10.00

Note 30 Additional Information to the Financial Statements

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. 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. S. Chandrasekhar, Brother of Mr S. Swaminathan

4. S. Swaminathan, Spouse of Ms Deepta Rangarajan

5. Santhanakrishnan Rangarajan, Father of Ms Deepta Rangarajan

6. Shanti Rangarajan, Mother of Ms Deepta Rangarajan

7. Rajlaxmi Nambiar, Spouse of Mr K. Balachandran

8. Sharanya Balachandran, Daughter of Mr K. Balachandran

9. Shyama Balachandran, Daughter of Mr K. Balachandran

10. Vijayalakshmi Nambiar, Mother of Mr K. Balachandran
- c. Enterprises over which the above persons exercise significant influence/ control and with which the Group has transactions during the Year
1. FinX Solutions (UAE)

2. IRIS Knowledge Foundation
- d. Independent Directors
1. Bhaswar Mukherjee, Non-Executive Independent Director

2. Vinod Balmukand Agarwala, Non-Executive Independent Director

3. Ashok Venkatramani, Non-Executive Independent Director

4. Haseeb A Drabu, Non-Executive Independent Director

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 30 Transactions and Balances with Related Parties (contd.) (Amount in ₹)

Particulars	Relationship with Related Party	Transactions during 2020-21	Outstanding as at 31.03.2021	Transactions during 2019-20	Outstanding as at 31.03.2020
Services Rendered					
FinX Solutions	An entity in which one of the Promoter Director is the managing partner	5,48,821	5,48,821	-	65,96,266
IRIS Knowledge Foundation	Promoter Directors are common Directors	-	12,10,991	-	12,10,991
CSR Contribution					
IRIS Knowledge Foundation	Promoter Directors are common Directors	-	-	50,000	-
Remuneration					
S. Swaminathan	Promoter Director	30,00,000	1,24,62,402	30,00,000	1,01,46,854
Deeptha Rangarajan	Promoter Director	30,00,000	24,86,930	30,00,000	27,63,507
K. Balachandran	Promoter Director	30,00,000	27,17,390	30,00,000	30,23,693
Jay Mistry	Company Secretary	12,97,440	-	12,32,581	98,430
Reimbursement of Expenses					
S. Swaminathan	Promoter Director	1,90,633	-	19,14,442	-
Deeptha Rangarajan	Promoter Director	3,73,636	-	5,67,275	-
K. Balachandran	Promoter Director	11,011	-	17,00,500	-
Jay Mistry	Company Secretary	53,371	-	7,031	-
Sitting Fees					
Ashok Venkatramani		2,75,000	-	1,95,000	-
Bhaswar Mukherjee		3,00,000	-	2,70,000	-
Haseeb A Drabu		1,25,000	-	-	-
Vinod Balmukand Agarwala		2,75,000	-	2,20,000	-

Note 31 Details of Movement in Provisions and contingent liabilities, in terms of Accounting Standard 29 is as under:

Particulars	Opening Balance as on 01/04/2020	Additions during the year	Reversal/ adjustments	Closing Balance as on 31/03/2021
Nature of Provision				
Provision for Income Tax	6,00,34,789	-	6,00,34,789	-
Provision for Deferred Tax (Asset)/ Liability	58,34,163	-	58,34,163	-
Provision for Gratuity	3,12,34,662	90,43,918	49,94,291	3,52,84,289
Provision for leave encashment	58,74,415	40,64,332	-	99,38,747
Provisions in respect of Employee Benefits	5,18,28,827	76,98,555	77,71,761	5,17,55,621
Provision for Bad & Doubtful Debts	5,77,905	25,06,722	5,77,905	25,06,722
Provision for Other Expenses	-	7,31,013	-	7,31,013
Provision for Forward Cover Payable	23,400	-	23,400	-
Provision for Warranty	-	4,81,235	-	4,81,235
Movements in Contingent Liabilities				
Contingent Liabilities	2,36,01,814	-	2,34,27,414	1,74,400

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 32 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	Rupees	As a % of consolidated Profit/(Loss)	Rupees
Parent				
IRIS Business Services Limited	113.55%	31,18,89,670	122.38%	3,32,55,303
Subsidiaries				
IRIS Logix Solutions Private Limited	0.25%	6,77,183	-0.06%	(16,124)
IRIS Business Services, LLC	-4.80%	(1,31,90,362)	-27.64%	(75,10,402)
Atanou S.r.l.	0.05%	1,44,838	-2.82%	(7,65,428)
IRIS Business Services (Asia) Pte. Ltd.	0.93%	25,67,374	8.75%	23,76,339
Minority interest in subsidiaries	-0.07%	(2,04,626)	-0.13%	(35,099)
Sub Total	109.91%	30,18,84,078	100.48%	2,73,04,588
Less: Effect of intercompany adjustments / eliminations	9.91%	2,72,16,157	0.48%	1,31,621
Total	100.00%	27,46,67,921	100.00%	2,71,72,967

Note 33 Activities of Subsidiary “IRIS Business Services, LLC”

As at March 31, 2021, IRIS Business Services, LLC total liabilities exceeded its total assets by USD 1,79,449.23 (₹ 1,31,90,361.82). 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 34 In the opinion of the Board, all assets other than Property, plant and equipment 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 35 The outbreak of COVID-19 pandemic caused a slowdown of economic activity in FY2021. Many countries including India continue to be impacted by the pandemic and lockdowns of varied nature that has been imposed by the Central and State governments of India from time to time. The travel restrictions and lockdowns have caused a slowdown in acquisition of new business especially from the regulatory segment which could have an impact on our near term future revenues. While the pandemic is still unfolding and while it is challenging to predict the full economic fall out of the contagion, we have undertaken an internal assessment to understand the impact on our business and on the carrying amounts of assets. After examining various factors, we have come to the view that the company expects to recover the carrying amount of these assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements. The Group will keep monitoring the uncertainties caused by the pandemic to assess its impact on our future economic conditions.

Note 36 Previous year's figures have been rearranged and regrouped wherever necessary so as to make them comparable with those of the current year.

For Khimji Kunverji & Co LLP <i>Chartered Accountants</i> Registration No.105146W / W100621	For and on behalf of Board of Directors of IRIS Business Services Limited	
Hasmukh B Dedhia <i>Partner</i> Membership No. 033494	Swaminathan Subramaniam <i>Whole Time Director & CEO</i> DIN: 01185930	Deeptha Rangarajan <i>Whole Time Director</i> DIN: 00404072

Place: Mumbai Date : May 22, 2021	Balachandran Krishnan <i>Whole Time Director & CFO</i> DIN: 00080055	Jay Mistry <i>Company Secretary</i>
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BOARD OF DIRECTORS

Independent Director (Chairman)

Independent Director

Independent Director

Independent Director

Whole Time Director & CEO

Whole Time Director

Whole Time Director & CFO

Jay Mistry

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E-mail: cs@irisbusiness.com

Website: www.irisbusiness.com

Website: www.linkintime.co.in

ICAI Firm Registration No. 105146W/W100621

Practicing Company Secretary

Chartered Accountants

Valsangkar & Associates, Patent Attorney, Pune

State Bank of India



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