

ANNUAL REPORT
2019-20



IRIS BUSINESS
SERVICES LIMITED

TURNAROUND STORY

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.

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Turnaround story.



When we went into business with a focus on regulatory technologies, we faced a number of challenges.

We needed to evangelise the format; we needed to market our capability.

It took us effort, time and financial resources to address both. During this period, which lasted a number of years, the Company was required to invest with the perspective of building the business.

After four years, IRIS achieved break-even and turned around in 2019-20. The Company generated an EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of ₹8.25 cr and reported a profit after tax of ₹0.46 cr.

This has validated what we had always believed: that the potential of our large addressable market would, when coupled with our capability, eventually translate into an attractive business that would generate attractive returns.

We are pleased to communicate that 2019-20 was a **turnaround year**.

26

% increase in revenues, 2019-20

2398

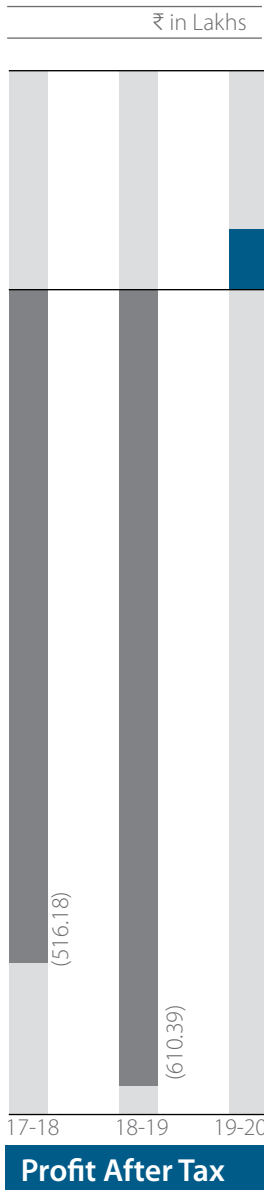
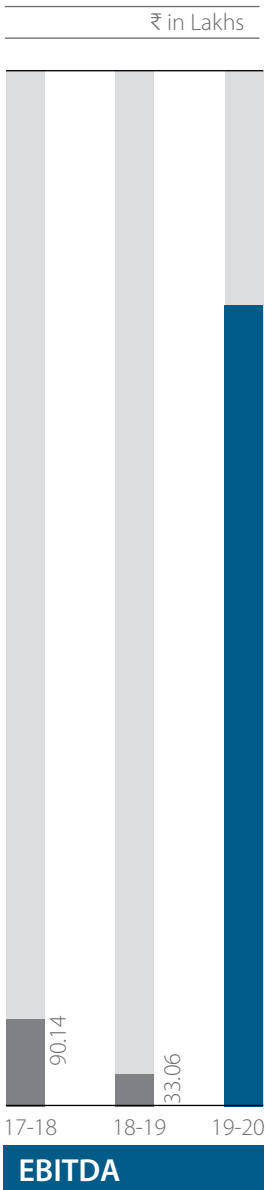
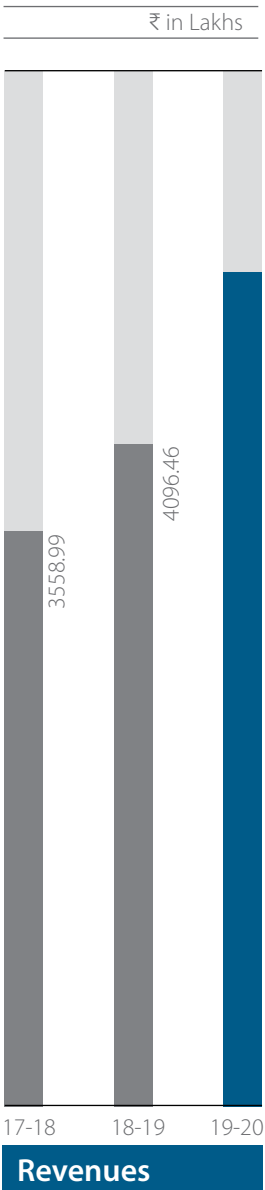
% increase in our EBITDA, 2019-20

1520

BPS increase in our EBITDA margin, 2019-20

5.87

% RoCE reported in FY 2019-20 against a negative 10.15% in FY 2018-19 .



IRIS Business Services Limited.

Addressing the regulatory compliance niche.

A space that is growing rapidly.

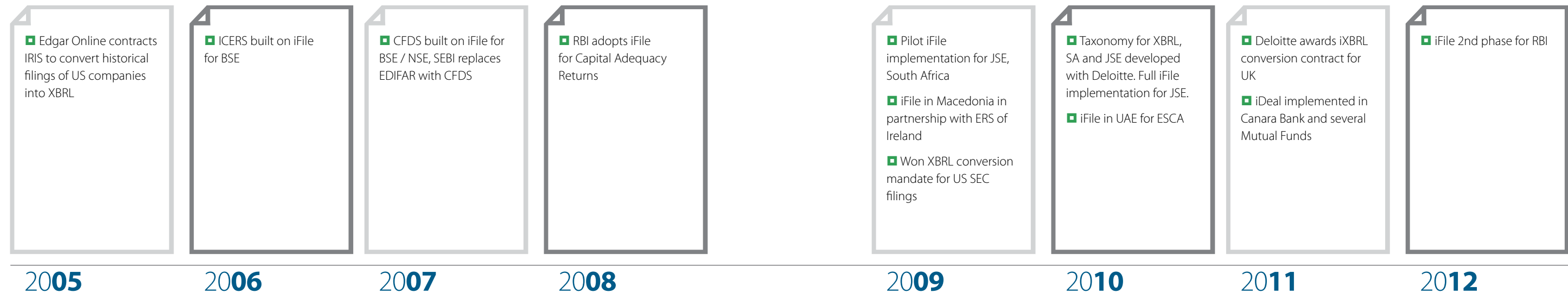
A space that is becoming the backbone of organizational existence.

A space that assures stakeholders of credibility and governance.

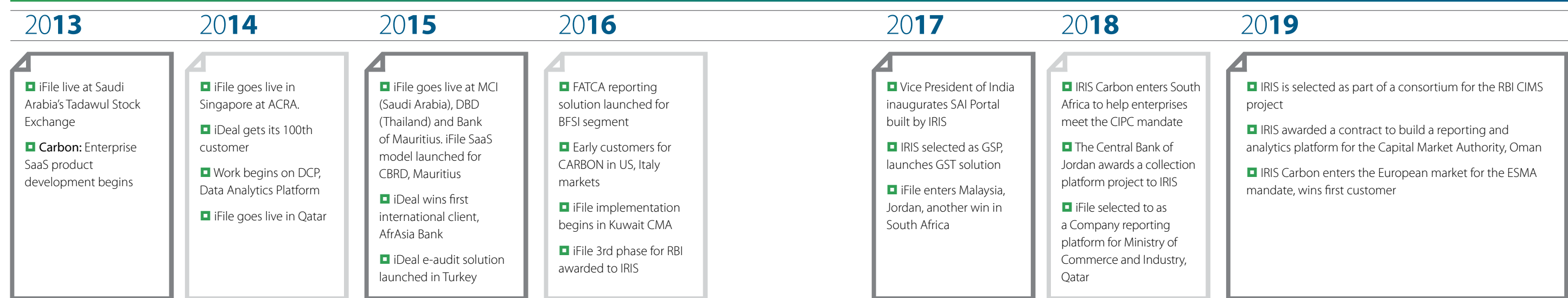
The Company has been one of the specialized solution providers in this space for years.

*Attractive player for today.
Strong proxy for the future.*





Timeline





IRIS. We thank all our reputed partners from across the world...

They help us to win and execute key engagements

Accounting firms				
Deloitte	KPMG	PWC	E&Y	Grant Thornton

IT firms				
Crimson Logic	Singapore	EOH, South Africa	FAPCO, Kuwait	FIT, Turkey
Formis, Malaysia	HCL Infosystems	HP	IBM	Infosys
LTI	MNS, Mauritius	NVision, Russia	Tata Consultancy Services	Tech Mahindra
Wipro				

Pride-enhancing clientele				
BFSI regulators				
Nepal Rastra Bank	Bank of Mauritius	QFCRA, Qatar	Central Bank of Jordan	Reserve Bank of India

Capital market regulators				
Amman Stock Exchange	Bombay Stock Exchange	CMA, Kuwait	ESCA, UAE	Securities and Exchange Board of India
Tadawul, Saudi Arabia	Qatar Stock Exchange			

Business registries				
ACRA, Singapore	CBRD, Mauritius	CIPC, South Africa	DBD, Thailand	MCI, Saudi Arabia
SSM, Malaysia	MOCI, Qatar			

Enterprises				
Bajaj Auto	Bata	HDFC Bank	Goldman Sachs	Kotak Mahindra Finance
Larsen & Toubro	Reliance Industries	State Bank of India	Thermax	Trent

How we have made **governance** our foundation at IRIS

At IRIS, it would be easy to state that we are in the business of software products; we are principally in the business of trust.

We believe that trust is the underlying element why regulators seek to share some of their privileged information with us, why employees trust their careers to us, why investors provide us risk capital, why financial partners provide debt and why communities support us.

Board of Directors

At IRIS, we believe that our strategic direction is largely influenced by our Board of Directors. We have placed a premium on our Board composition, which comprises professionals with domain knowledge. These individuals have enriched our values, experience, multi-sectoral business understanding and strategic insight.

Communication

We believe in transparent communication with our stakeholders. We regularly communicate with key investors and major updates are posted on the SEBI website and on the stock exchanges for enhanced level of transparency.

Audit and compliance-driven

At IRIS, we have adopted an audit-driven and compliance-driven approach, enhancing the credibility of our reported numbers.

Eco-system

At IRIS, we address the needs of all our stakeholders – employees, vendors, customers, community, shareholders and the government – in a sustainable way. We provide value that makes it possible for them to benefit from our relationship.

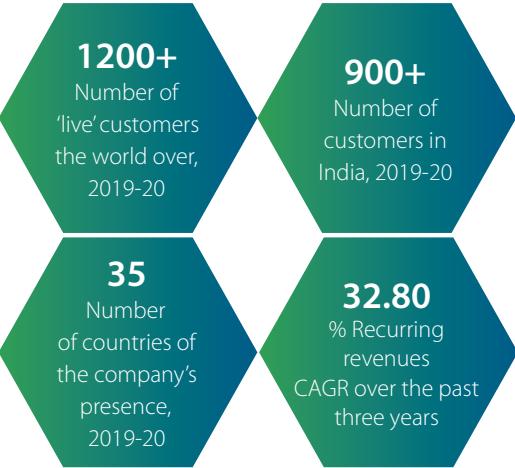
Business needs

Our products and services are used by regulators and listed entities across the world. We ensure timely updation of the offerings and highest level quality to ensure error-free output for our customers. We provide our customers with training to maximize value from our products.

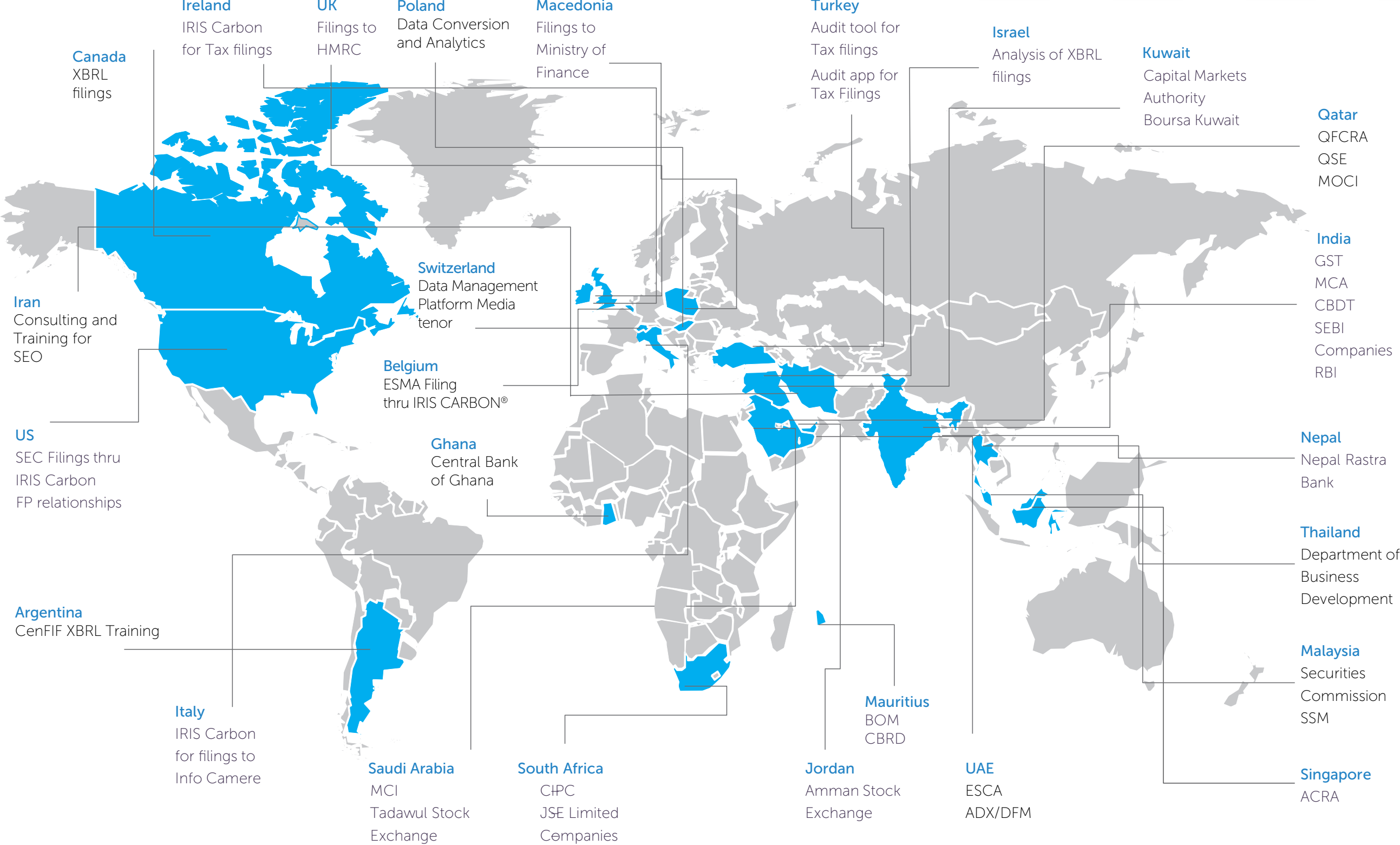
Process-driven

At IRIS, we believe that growth can be best derived through investments in processes and systems, especially information technology, secured through checks and balances.

What we achieved across the years



Our **clients** are from
all over the world



I HOPE YOU ARE STAYING SAFE AND KEEPING WELL IN THESE TIMES OF THE PANDEMIC RAGING THROUGH OUR COUNTRY AND THE WORLD TOO. I HOPE THAT YOU ARE TAKING ADEQUATE PRECAUTIONS IN THIS RESPECT.

I dedicate this annual report to my valued colleague, Vinayak Shinde who was taken away by the Coronavirus at the young age of 29. He was an extraordinary colleague who punched way above his weight, taking on responsibilities way above his pay grade, which is why he was marked for higher things in the firm. He was a person who could be held back by nothing, not his humble origins, not the absence of a fancy degree, until the virus felled him, but not before he had left his imprint not just on IRIS but the XBRL implementations he worked on. In India at the RBI. In Malaysia and in Mauritius. *“Ho jayega, sab kar lenge”* was his pet phrase in Hindi which translates to “It will get done, we will do it all”.

Yes, Vinayak, it will be done. We will work harder to realise the vision you had for IRIS. Knowing that you are with us and will be with us through this journey. Nothing was daunting for you, not the toughest of assignments, not the craziest of deadlines, you rose to them all. You were IRIS. You are IRIS.



Vinayak Shinde

Indeed, companies like IRIS are literally made by the people who work in them. This may seem like a cliché. But in a small company like IRIS, this is especially true. A star gets noticed very quickly and gets picked for higher responsibilities. It does not matter how old they are, it does not matter what their gender is or if they have a fancy degree. It does not matter if they can speak good English. Their attitude and willingness to learn propels them ahead, nothing can hold them back in the normal course of things.

We are fortunate at IRIS to have a large number of such people. We are also fortunate to have several bosses who let such folks grow without feeling threatened. That is what makes IRIS a hub of innovation. That is what has given us products that are best of breed, products made by us in India for the world. It is this that is giving us the confidence that now that we have turned profitable, we can grow rapidly from strength to strength. The past was tense but the future looks promising.

Vinayak was an avid stock market follower and would ask me from time to time if he should buy shares of IRIS in the market. He felt that the market was yet to recognise the bright future he saw for IRIS. He felt that perhaps I was not telling the story right. In fact, over the last year, many shareholders have conveyed to me their unhappiness that the stock has been trading well below its IPO price of ₹32. I would tell them, as I would tell Vinayak, that our responsibility as managers of the company is to place the company on a path of steady sustainable growth.

Last year, several American CEOs got together to examine the purpose of a corporation and identified five objectives for a corporation to have:

- Delivering value to customers
- Investing in employees
- Dealing fairly and ethically with suppliers
- Supporting the communities in which we work
- Generating long-term value for shareholders

These are our guiding principles too. We are convinced that following the first four principles will necessarily generate long term value for our shareholders. Even as I stay focussed on building a great company that delivers superior returns to our shareholders, I believe that in the long run, this is predicated on having satisfied paying customers and a supportive ecosystem of all stakeholders including employees, our suppliers and the community we live and work in.

When we turned profitable, we crossed one significant milestone. The challenge now is to keep the momentum going. As we have explained elsewhere in the report, we have done the heavy lifting. With the tremendous support of those who work at IRIS, we have reached a stage where we have a bright future to look forward to. We have great products. We have loyal customers for our offerings in some 35 countries around the world. From Singapore in the east to Argentina in the west. What more could we ask for?

How should we look at IRIS is a question I have been asked often. As managers at

IRIS, we stay focussed on just one metric, namely our Annual Recurring Revenues or ARR. By the end of FY 2020, our ARR was ₹30.35 cr. For all companies in the SAAS, space, this is the single most important metric. It is also heartening that our ARR has grown at CAGR of 32.80% over the last 3 years.

As our shareholders know, we have 3 business segments that we call Collect Create and Consume.

The Collect division serves regulators, helping them receive pre-validated data from the businesses they regulate. Revenue from sale to regulators accrues over a contract period of between 5 – 7 years. It includes fees towards software licence, project implementation, taxonomy consulting and a recurring AMC. Today, we have just one SAAS client in this segment but we expect this to change as we seek clients willing to accept a SAAS model. The lumpiness of revenues from this division ends up lowering the share of SAAS revenues.

The outlook for the Collect division looks promising especially in the wake of the pandemic. The number of countries adopting digital reporting and the number of regulators in each of them seeking to go down this path can be expected to increase dramatically once the lockdown eases. For example, several state governments in the USA have made the first move to embrace digital reporting, which creates a huge opportunity for us.

The Create Division is almost all SAAS, contributing ₹18.62 crore or 36% of the revenues of the company. As a company,

our goal is to increase the revenues from this division and also increase its share in the total pie. While all of this is ARR, I do have a word of caution to offer. While the GST clients are billed monthly, the enterprise clients who use our products for compliance with the business registries are billed annually. Hence it may be misleading to try and form any meaningful inferences from a review of our quarterly or even half yearly numbers. The ARR is however a good indicator as to where we stand.

The outlook for this division too is exciting. Europe has mandated XBRL reporting for all listed companies and our early success has been encouraging. In the USA, energy companies have a new mandate to comply with from next year where we see our product IRIS Carbon acquiring new customers. The effectiveness of our sales and marketing efforts will determine just how successful we are.

The Consume Division includes a bit of SAAS and a bit of DAAS (Data as a service). Less than 6% revenues comes from this division. Not only do we see this as a standalone opportunity, the offerings we have created are helpful in acquiring customers for the other two divisions too.

In addition to ARR, a second metric is also meaningful to follow. That is the number of clients acquired. In FY 2020, we added close to 90 customers, taking the total number of paying customers that we serve to 1200. This is in addition to the hundreds of thousands of customers across the world who use our free tools for filing.

There are three ways in which the pandemic has affected us.

Firstly, it has affected cash flows. Many of our customers are unable to pay us on time and this has certainly had an impact on our liquidity position. We are grateful to the government for their policy initiatives in the form of a moratorium which could not have come at a better time.

Secondly, it has affected our ability to acquire new clients and may have an impact on our revenue growth this year. We were hoping to add a significant number of European clients but in the absence of a team on the ground, customer acquisition has been slower than what we could have achieved without the pandemic.

Third, the pandemic may have created opportunities for us as we feel that more and more countries may move to a digital reporting platform, away from the world of paper.

What all of this means is that while we see stress in the short run, the future beyond the immediate period of stress looks promising.

Before I conclude, I have a request. This year, we propose to have a virtual AGM. I would be grateful if each and everyone 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 or have any questions.

S. Swaminathan, CEO



A conversation with
K. Balachandran, Chief Financial Officer

Q

How would you evaluate the performance of the Company in 2019-20?

This was a milestone year for the Company. While the company reported 26% growth in revenues in 2019-20, the EBITDA jumped as much as 25 times from the earlier low base as the power of operating leverage kicked in. The result was that the company reported a profit after tax of ₹46.25 lakhs compared with a net

loss of ₹610.39 lakhs in 2018-19, successfully completing a financial turnaround after the transition into a product-based business model. This performance was achieved despite a delay in the e-invoice mandate in India that slowed the growth of the GST business.

Q

How would you assess the business health of the company?

The important thing to note is that, typical of product companies, once a threshold is reached, expenses move up at a much lower rate, while revenues grow more rapidly. The company posted an EBITDA margin 16%, up from 0.8% in the previous year, while ROCE swung to 5.87% in FY20, compared to a negative return in the previous year. This improvement indicates that the company

crossed a critical hump during the last financial year – in terms of revenue critical mass, pricing and cost management – that translated into a swing-back towards profitability. We believe that this turnaround represents a validation of all that we have practiced in the last number of years, convinced that there would come a time when the business realities would translate into a positive bottom-line.

Q

What were the business-specific highlights that made the turnaround a reality?

The Collect segment of the company's business, the major revenue driver of the company, reported a growth of 42% during the year under review. This growth was largely driven by a couple of new customer acquisitions apart from revenue from ongoing implementations.

The Create segment, which accounted for 37% of the revenues in 2019-20, reported 11% growth over 2018-19. We started expanding our presence in Europe where we see new traction in our business, as companies on the

continent started seeking partners on account of the Inline XBRL reporting mandate. Our revenues in FY20, were also positively impacted by growth in existing revenue streams from the UK and South Africa.

The Consume segment reported a growth of 24% during the year under review. We have introduced an information product to enable GST data-based lending. In addition, a couple of regulators have also become customers for our products in this segment.

Q

What is the trigger that promises attractive growth for the Company?

I must keep coming back to the deadline mandated by European Securities and Markets Authority for Inline XBRL adoption for 2020 reporting. This single decision could prove to be the inflection point: companies in the region have already started evaluating partners with whom they will engage for a seamless transition. This puts a company like IRIS in an advantageous position based on the experience of having worked with a range of customers, exposed to different business environments and by the virtue of having provided relevant solutions. We are optimistic that when customers seek partners to make the transition they will seek companies like IRIS. We are attractively positioned to meet the needs of listed companies in Europe, leveraging

our SaaS platform IRIS Carbon, combined with innovative add-ons like an audit module and a set of tools to comprehensively leverage the potential of Inline XBRL for Investor Relations.

With the RBI CIMS implementation, we are also developing expertise in an information standard called SDMX, which augurs well for the future. Automated reporting from the BFSI segment is expected to jump once RBI CIMS platform is commissioned, which should help our business in this area.

We are ready with the eInvoice solution which will be integrated with our GST suite of products. As India turns to eInvoice for larger companies, we expect good revenues coming from this business as well.

Q

How is IRIS positioned attractively?

When we went into business, we were convinced that as global economies grew and the subject of governance started becoming centre-stage to corporate or organizational success, there would be a corresponding increase in compliances. In fact, there has come a time when governance comprises the core of sustainability and compliances represent the core of governance. There is a growing recognition that with increased public accountability at stake in the modern world – whether this is across environment, or solvency or Board composition or whatever – there is a premium to report compliances in a comprehensive and periodical manner. The result is that compliance is no longer a routine activity addressed by professionals within companies managing multiple responsibilities; the subject is attracting

specialized professionals. These professionals who bring years of experience to the subject are, in turn, supported by customized reporting formats and technologies that make it possible to report on schedule, report in full and report with accuracy. That is where a focused player like IRIS comes in.

IRIS offers product-based solutions with a revenue model that is inherently attractive once sufficient customers come on board.

Besides, our business segments are correlated. The regulators put up a platform and even offer free tools for three to four years to incentivize filers then let the market take over where firms like IRIS can offer their own tools. In South Africa, we offered our Collect platform first and then moved to a solution in the Create segment.

Q

What is the Company's outlook?

We feel that the Covid-19 pandemic and subsequent work from home will moderate the need for physical presence in the global markets and drive sales virtually. This will help us work remotely from India in generating business and capture product support

opportunities. With a portfolio of superior products in favourable market conditions we are optimistic of driving growth. To make this a reality, we are making investments in marketing with the objective to enhance visibility.

Our large addressable market: Why we are **optimistic** of our business

Unification

Today the world needs a unified compliance platform for enhanced convenience, cross-access of information and the elimination of keying in the same information multiple times. On the one hand, the multiplicity of regulatory requirements increases the cost to filers. On the other hand, it gives filers an opportunity to game the system.

Cost advantage

We believe that companies addressing compliance needs – running into thousands of compliances for organisations, large and small, – will seek to moderate their cost of compliance by turning to platforms like what IRIS provides to allow for multiple filings to be generated through one platform. The savings to companies from such an approach could be immense.

Board reporting

Independent Directors are increasingly worried about the compliance status of the companies on whose Boards they serve. An integrated solution of the kind IRIS can provide offers Boards the possibility of improving oversight.

Report-format agnostic

The world is moving towards versatile solutions that can accommodate changes in reporting formats. There is a movement towards a format-agnostic report, and the first step is to free the data from being a prisoner of proprietary file formats such as PDF, MS Excel, MS Word or even proprietary XML formats, by adopting open source formats such as XBRL. We believe this is a huge opportunity for the format-agnostic work we do.

Pandemic relevance

In a world where social distancing is being imposed with discipline, digital reporting will become the order of the day. Both the regulator as well as the regulated are settling down to the new reality of remote working, creating demand for solutions like ours. The collaboration allowed by the solution makes it possible for auditors to address their responsibilities with speed and effectiveness without compromising safety.



Developments across countries

Europe

The European Securities Markets Authority (ESMA) has a mandate out, requiring all companies listed in any of the stock exchanges in the 27 member countries to file their annual financial statements in iXBRL from January 2021. This creates an opportunity not only for IRISCarbon that can be used by filers but also iFile, the electronic disclosure platform that regulators can use to collect such data.

USA

While the SEC mandate for listed companies to file quarterly and annual reports in the XBRL format has been around, new mandates appear to be round the corner in the US. The Federal Energy Regulatory Commission (FERC) is replacing

its electronic filing format for a list of select forms (first phase) with XBRL. In the first phase a set of forms filed by electric, gas, oil and service companies are being implemented. There are over 3,000 energy companies who report into FERC; there are forms with more than 30,000 filings a year.

Besides, state agencies prepare and submit their Comprehensive Annual 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 thus 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, common data standard needs to be implemented in the next five years, which will cover not only CAFRs but also Single Audit.

The GREAT Act of 2019 mandates governments and non-profits in receipt of federal funds (in excess of \$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 in the US market. IRIS intends to expand its presence in the US with a full-fledged sales team, which will target all the markets which are emerging in the private and government sectors.

Our **sustainable** competitive advantage: Why we expect to outperform the market going ahead





Core competence



The market-facing strategy that turned IRIS around



The IRIS culture

 <p>There is openness about the IRIS culture that has helped retain employees and in doing so, enhanced knowledge retention and competitiveness.</p>	 <p>The engineers have worked long enough at IRIS to have matured to become subject matter experts, translating into the ability to address customer challenges in a fraction of the time taken by competition</p>	 <p>IRIS is more than a conventional company: it is an employee-driven innovation laboratory.</p>	 <p>The IRIS culture is one about seeking opportunities in adjacent spaces. Engineers are perpetually pushing the frontier.</p>
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3 ways in which we turned the Company around



3 financial manifestations of the Company's turnaround



How we intend to strengthen shareholder value ...

Optimise working capital

The Collect business of IRIS is dependent on regulators who generally pay across long payment cycles. The Company is strengthening its Create business, which focuses on listed entities in different markets. To use the Create suite of products, while some customers are willing to pay in advance, others are quick to settle their bills, resulting in an improved receivables situation.

Revenue growth

The repeat business opportunity is the characteristic of the Create segment. There are but a handful of global competitors though local competitors are many. However, in the aftermath of the pandemic, demand can be expected to increase for cloud-based collaborative solutions of the kind that IRIS offers.

Broadbase geographically

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

How IRIS protected the interest of stakeholders during the Covid-19 pandemic

Customers

- Provided continuous support through digital communication
- Engaged with clients for new deals
- Supported the business with no latency
- Honoured agreements with clients related to deliveries

Employees

- Engaged in initiatives to protect mental, physical and financial well-being
- Smoothly transitioned employees to work from home
- Provided collaborative tools and secure remote access facilities
- Engaged in regular electronic video communication

Investors

- Focused on Balance Sheet improvement
- Engaged in cost rationalization
- Availed a moratorium from a lender towards term loan repayment

Community

- IRIS employees actively participated in volunteering with the Navi Mumbai Municipal Corporation to help the residents of Navi Mumbai

Many of our **global** clients are respected regulators

Abu Dhabi Stock Exchange

The Abu Dhabi Securities Exchange (ADX).
Established on 15 November 2000.

The Amman Stock Exchange (ASE)

The Amman Stock Exchange (ASE) was established in March 1999.

Dubai Financial Markets

Established as a public institution with an independent legal, the DFM launched its activities on 26th March 2000.

Qatar Stock Exchange

Established in 1995, the Doha Securities Market (DSM) officially started operations in 1997.

UAE Securities and Commodities Authority

On January 29, 2000 HH UAE President issued a federal decree to set up a public authority called Securities and Commodities Authority. The Authority plays a key role in organizing and regulating UAE capital markets.

Suruhanjaya Sekuriti - The Securities Commission Malaysia (SC)

The Securities Commission Malaysia (SC) was established on 1 March 1993 under the Securities Commission Act 1993 (SCA). It is a self-funded statutory body entrusted with the responsibility to regulate and develop the Malaysian capital market.

Saudi Stock Exchange (Tadawul)

On the 19th of March 2007, the Council of Ministers approved the formation of The Saudi Stock Exchange (Tadawul). 190 companies are listed as on 31st Dec 2018.

Accounting and Corporate Regulatory Authority, Singapore

The Accounting and Corporate Regulatory Authority (ACRA) is the regulator of business entities, public accountants and corporate service providers in Singapore. ACRA's role is to achieve synergies between the monitoring of corporate compliance with disclosure requirements and regulation of public accountants performing statutory audit.

Corporate and Business Registration Department, Mauritius

The Corporate and Business Registration Department, falling under the Ministry Of Finance and Economic Development has not only adopted the concept of "moving data to people" but also "putting people first". They have shifted from inward-looking, bureaucratic systems, processes and attitudes toward newer ways of working which put the needs of the public first. The incorporation, registration and striking-off of companies, the provision of Company information to the public, Registration of Businesses etc. are among its core functions.

Companies and Intellectual Property Commission, South Africa

Since its inception in May 2011, the Companies and Intellectual Property Commission (CIPC) has been undergoing a sustained and rapid transformation in order to improve its service delivery and to contribute meaningfully to South Africa's developmental and economic needs. CIPC has come a long way from being an administrative organisation with little or no regulatory focus.

Department of Business Development, Thailand

Department of Business Development, the department has improved its roles, missions, and organization structure starting from transferring measurement unit to report to Department of Internal Trade, Ministry of Commerce and transferring fuel jobs to Department of Energy Business, Ministry of Energy.

Ministry of Commerce and Investment, Saudi Arabia

Its vision is to achieve a pioneering position for both commerce and investment sectors in Saudi Arabia within a fair and stimulating environment. It plans to enhance the potential of commerce and investment sectors, protect beneficiary interests, by developing and implementing effective and efficient policies and mechanisms, which will contribute to achieving sustainable economic development.

Ministry of Commerce and Industry, Qatar

It wishes to be seen as a self-reliant and diversified private sector that is aware about the consumer rights and understand the responsibilities and obligations of the business world towards them. Its mission is to lead sustainable economic growth with private sector partnership, through policy-making, promotion of diversified investments, monitoring of markets, and protection of consumers in a safeguarded and enabled business environment.

Suruhanjaya Syarikat Malaysia

The Companies Commission of Malaysia (SSM) is a statutory body formed as a result of a merger between the Registrar of Companies (ROC) and the Registrar of Businesses (ROB) in Malaysia which regulates companies and businesses. The main activity of SSM is to serve as an agency to incorporate companies and register businesses. They also provide Company and business information to the public.

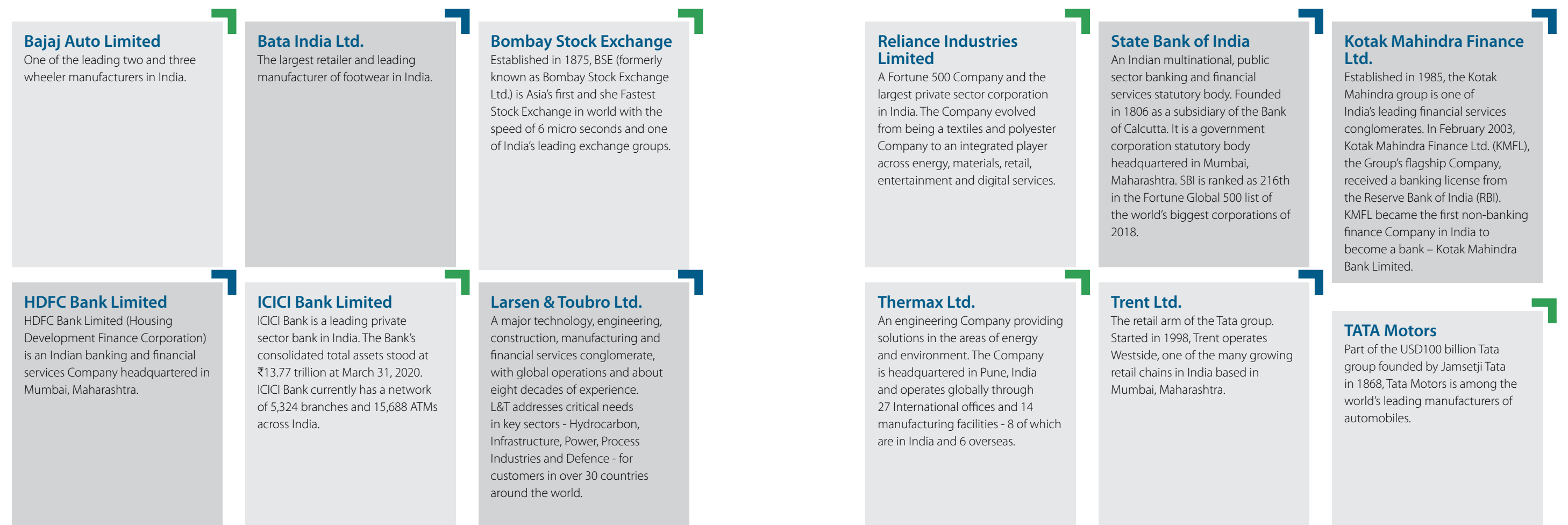
Reserve Bank of India

The Reserve Bank of India is India's central bank, which controls the issue and supply of the Indian rupee. RBI is the regulator of the entire Banking system in India. It plays an important part in the development strategy of the Government of India.

Securities and Exchange Board of India

The Securities and Exchange Board of India was established on April 12, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and for matters connected therewith or incidental thereto.

Some of the **largest** Indian entities trust IRIS



Speaking to insiders on what makes IRIS tick



Ashish Singhvi – Team leader of IRIS Carbon

One day Swami was livid about a mistake: our colleagues picked themselves up. The result was a solution that saved 14,000 person hours.

Swami (promoter) helped me with public speaking. I have hardly met a listener as good as Deepta (promoter). She sits with us during projects and helps us with coding!

We are proud to be engaged in an exercise taking India ahead: by converting manual processes of regulatory solutions to an automated process.

I have spent 12 years at IRIS. I never thought of switching to another company because of the IRIS culture. We are provided a free hand to innovate. How many engineers in a private firm can say they can carry on research after their student days are over? The culture is free-flowing. You get to know colleagues better. The hours are flexible. The hours are not recorded.

IRIS is family. I had family issues and needed to relocate. Swami asked if I could work remotely. He asked me to build a team in Surat and rent a shared office. Unbelievable!”



Hemant Karale – Product Management and business development, Ideal

When I had joined IRIS, I was surprised to find people who had been here for almost a decade – across levels. There could only be one reason: an open culture.

I reached IRIS in Mumbai from Pune for my interview. After it was over, I got into a cab to take me to the station. I got a call from the HR person saying I was hired. That is the speed with which the company works!

What I like best about IRIS? That it is not like any software company that follows a fixed routine and does assembly line work.

I have spent more than 7 years at IRIS, my longest stint anywhere. I joined as a Business Analyst but extended to other roles (sales), which broadened my skills. I now lead a focussed team of 15 that generates a substantial profit.



Jigar Shah
Program Manager, iFile

I have been with IRIS for 13 years. In between, I had shifted to another company, but before long I switched back to IRIS. The main reason? I would never get such supportive mentors and such a transparent work culture.

During my third year at IRIS, I was asked to communicate with the RBI Governor for an ongoing project. Which other company would trust a relatively new employee with such a prestigious project?

If one asks our director Swami if he knows the name of some employee’s spouse or children – he will be able to give correct answers every time. He knows who has ailing parents at home, he knows who is married and who is unmarried, he knows what passion each and every employee nurtures outside of work - he knows everything.

Management discussion and analysis

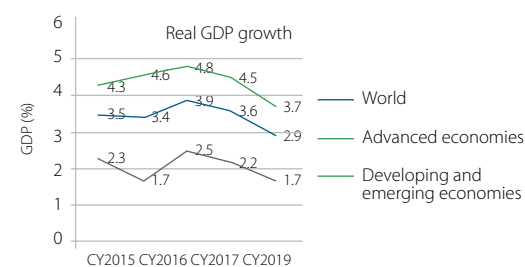
Global economic overview

The global economy growth declined to 2.9% in 2019 compared to 3.6% in 2018, as the result of an increase in trade disputes globally and slowdown of the manufacturing sector, coupled with Brexit. Global trade also grew a mere 0.9% in 2019 due to trade tensions and slower economic growth. The average price of oil was pegged at US\$ 61.39 per barrel in 2019.

The 'Great Lockdown' owing to the onset of COVID-19 is projected to shrink global growth significantly in the foreseeable future.

(Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)

Global economic growth



[Source: IMF]

Indian economic overview

There was a decline in consumer spending that affected India's GDP growth through the major part of 2019-20. India's growth during the year under review was estimated at 4.2% compared with 6.1% in the previous year. Manufacturing growth was seen at 2%, a 15-year low as against 6.9% growth in FY19.

This sharp slowdown in economic growth was coupled with a surge in inflation that weighed on the country's currency rate; the Indian rupee emerged as one of the worst performers among Asian peers, marked by a depreciation of nearly 2% since January 2019. Retail inflation climbed to a six-year high of 7.35% in December 2019.

Despite these economic challenges, India emerged as the fifth-largest world economy in 2019 with a gross domestic product (GDP) of \$2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking.

During the last week of the financial year under review, a national lockdown was imposed to fight the spread of Covid 19. This cast a shadow on the anticipated recovery of the Indian economy in 2020-21, affecting demand, supply chain, discretionary spend and capital expenditure. (Source: Economic Times, CSO, Economic Survey, IMF)

Outlook

The outlook is uncertain for most economies, with forecasts indicating sharp degrowth in developed economies as well as India following the COVID-19 impact.

Global regulatory technology (RegTech)

The RegTech market size is expected to grow from USD 6.3 billion in 2020 to USD 16.0 billion by 2025, at a Compound Annual Growth Rate (CAGR) of 20.3%. The major drivers for the RegTech market include the increased cost of compliance, rising need for faster transactions, regulatory sandbox approach to support RegTech innovations, and lower entry barriers with Software as a Service (SaaS)-based offerings.

Banks spend a large amount of money on fines and penalties for non-compliance with regulations. The RegTech solution vendors assist financial institutions to conduct their business operations in compliance with various government regulations. The RegTech market has started evolving in the past few years and is expected to witness a significant growth rate in the upcoming years.

The RegTech solutions strengthen compliance and mitigate risk in enterprises. The solutions reduce the fixed cost of compliance and increase efficiency of business processes. Along with this, RegTech solutions provide valuable business insights and provide customers better and faster service. The enterprises use these solutions to drive new products and services as well.

The major factors contributing market growth includes the acceptance of regulatory sandbox and the growing focus on financial regulations. There are lower entry barriers for cloud-based solutions in this market, which is an additional driving factor.

The large enterprises segment is expected to hold a higher market share, as most publicly traded companies are compelled to adopt regulatory programs. Additionally, as rules and regulations keep altering as per industry and region, keeping a check on all the processes manually is not feasible, which further emphasizes on the importance of RegTech solutions and services.

North America is expected to account for the largest market size during the forecast period. This is due to the early adoption of RegTech solutions by the North American financial institutions to manage compliance cost by leveraging advanced technologies, such as Artificial Intelligence (AI), Machine Learning (ML) blockchain, big data, and cloud computing. Moreover, stringent regulations and the need to comply with them are expected to drive the market growth in North America.

Indian RegTech market

Technology that deals with regulations and compliance – RegTech – is still at a nascent stage in India. However, India is already on the move towards digitization that would reduce the compliance cost to a bare minimum and help safeguard investors' money. Taking the example of manual paper reporting alone, digitization can streamline the verification process and save crores through data extraction.

The Reserve Bank of India (RBI) is creating three new units – FinTech (financial technology), RegTech (regulatory technology), and SupTech (technology to supervise). These units would develop appropriate tools to regulate and manage financial institutions and other regulated bodies, including FinTechs, Payment Banks, and Small Finance Banks.

The Indian RegTech sector has been growing steadily. According to data provided by research and intelligence firm Tracxn, the private investments into the Indian RegTech space has increased by over five times at US\$43.5 million in the year 2019 so far, compared to a mere US\$7.26 million in 2018. Apart from the RBI, the new GST regime is also increasing demand for sophisticated

regtech solutions that can meet not only compliance requirements but also enable cash flow based lending.

Exponential growth in the digital transactions in India in the last few years has also made it imperative that anti-money laundering solution and financial crime surveillance solution be implemented in the financial firms to monitor transactions for any fraudulent activities. The solid and consistent demand of RegTech in India is an indication of the crucial role it is set to play in safeguarding interests of the financial institutions along with delivering substantial ROI through effective risk and compliance management.

It is estimated that the Analytics, Data Science and Big Data industry in India is at US\$2.71 billion annually in revenues. In 2019, the analytics industry has grown to US\$3.03 billion in size and is expected to double by 2025. There has been a proliferation of players in the Big Data and AI ecosystem with numerous large and small players entering in the past couple of years. In terms of sectors, at a market share of 36 percent, the BFSI sector continues to be the largest segment being served by the data analytics industry in India.

Business segment analysis

Collect business

29.30

Total revenue in ₹
Crore

57%

Share of total
revenues in 2019-20

17.92%

CAGR in past
three years

Business overview

The Collect business of IRIS addresses global regulators. The business segment offers the flagship iFile product, creating a full-fledged XBRL-based reporting platform using modular and flexible component design architecture. The framework is designed in a way it can easily be deployed by any reporting authority in its jurisdiction or even internally within enterprises. Using the web and client components, regulators can create a reporting platform that enables regulated entities to file

information which can be then be validated, stored and further analyzed.

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 used across various regulatory environments including capital markets, banking and business registries.

The IRIS differentiators

- More than 12 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.
- Track record of more than 25 installations across the world

Highlights 2019-20

- Part of the winning consortium that is selected to build the Reserve Bank of India's Centralised Information and Management System (CIMS), a prestigious project. IRIS iFile product framework will be utilized in building this reporting platform.
- Bagged an order from the Capital Market Authority, Oman, for a reporting and analytics platform
- Successfully commissioned the Qatar Stock Exchange reporting platform

Outlook

While IRIS has established a strong brand in the regulator market for XBRL driven reporting platforms, the global onset of the Covid pandemic could potentially delay new orders. We continue to

be in discussions with existing and prospective customers on platform enhancements and new implementations.

Create business segment

18.62

Total revenue in ₹
Crore

37%

Share of total
revenues in 2019-20

37.67%

CAGR in past
three years

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, mutual funds and foreign private issuers to who need to meet multiple regulators' XBRL/Inline XBRL mandates. Our key offering in this segment is IRIS CARBON®, a subscription-based and cloud-hosted application.

IRIS CARBON® is offered in the US, UK, Ireland, Italy, India, South Africa and European markets to address regulator-mandated needs for XBRL or Inline XBRL-based financial reports.

Over and above IRIS CARBON®, the 'Create' business segment includes an automated regulatory data filings solution, IRIS iDeal, targeted at the BFSI segment. Finally, there is IRIS GST which is our India-specific platform designed to address the needs of the India's GST compliance regime.

IRIS CARBON®

This is a cloud-based report authoring solution that caters to country specific mandates ranging from US SEC to UK's HMRC and South Africa's CIPC. IRIS has introduced enhanced features like machine learning algorithms to improve report creation efficiency through an automated tag selection process. IRIS CARBON® is a budget-friendly product, certified by XBRL International body. It is perhaps the only product that supports different languages, a key advantage in the European market.

There is increased adoption of XBRL across the world. The European Securities Market Authority mandated that all public listed companies adopt Inline XBRL reporting from 2020 annual

report onwards. IRIS engaged its first European client (large Belgian retailer) in 2019 before the mandated timeline. We are in advanced negotiations with a number of companies and have built a good visibility through participation in events and conferences.

There are new opportunities emerging from the US markets too where utility companies are mandated to follow the XBRL mode for data submission. A number of US states are also exploring for XBRL reporting for state-owned agencies. This data is used extensively in the municipal bond markets.

IRIS GST

IRIS is one of the initial set of GSPS selected by the GSTN. It offers a host of products under the IRIS GST umbrella to help companies fulfill the complex GST return filing compliance requirements.

IRIS' offerings in this area include the cloud-based collaborative GST filing software, an e-invoice solution to meet the emerging mandate as well as an e-way bill management solution.

IRIS' innovative mobile app, IRIS Peridot, scans and recognizes GSTNs instantly providing information about tax registrants and timely payment of GST and filings of returns. The app a large user base, many of whom are small enterprises who depend on IRIS Peridot to check counter-party GST filing statuses.

GST COMPLIANCE SOLUTIONS

- Technology
- GST
- Services
- EInvoicing
- Knowledge
- EWayBill

EWAYBILL SOLUTIONS

- Technology
- EWayBill
- Knowledge

GSP : API GATEWAY

- Technology
- GSTN
- NIC (EWB, EINV)
- GSTN FIP

CREDIT ENABLER

- Technology
- GST
- EInvoicing
- EWayBill

Expected new mandates in key markets

The US market

In addition to the SEC mandate for listed companies to file quarterly and annual reports in the XBRL format, new mandates are round the corner.

Federal Energy Regulatory

Commission (FERC): The FERC is in the process of replacing its current electronic filing format for a list of select forms (first phase) with XBRL. In the first phase a set of forms filed by electric, gas, oil and service companies are being implemented. In all there are over 3,000 energy companies who report into FERC and there are forms which have over 30,000 filings in a year. On the successful implementation of the first phase, the implementation of which starts with 2020 filings, FERC will be moving all the filings to XBRL in phases.

CAFR (Comprehensive Annual Financial Report):

State agencies prepare and submit their CAFRs and 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 thus 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 the next five years, which will cover not only CAFRs but also Single Audit. In addition to opening opportunities for solutions for the state agencies, the need for a platform for the state CFOs office to collect Inline XBRL data also opens up. 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.

Single Audit: The US Government releases funds on an annual basis to various state and federal agencies, NGOs and other institutions funds for various developmental activities. The GREAT Act of 2019 mandates governments and non-profits in receipt of federal funds (in excess of \$750,000) to submit audited financial statements, by mandating that these statements be reported digitally, in the XBRL format. The mandate is expected to kick in from 2021 and eventually may cover grants over \$500,000. In 5 years over 100,000 state and federal agencies and other institutions would have to gear up for submitting reports in XBRL. Various initiatives in this regard, including a pilot project, are being planned in the coming year to help agencies impacted to generate and for the federal government to collect the single audit report in Inline XBRL. This eventually will also impact international bodies who receive similar funding, opening up a much larger opportunity.

The European Market

European Securities and Market Authority (ESMA) has introduced the Electronic Single Electronic Format (ESEF) in which issuers on EU regulated markets shall 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 3700 + companies, excluding UK companies, who would need to file in iXBRL from January 1, 2021 onwards. UK-listed companies are also expected to follow the mandate.

Outlook

With more regulatory bodies across the globe seeking XBRL adoption, IRIS CARBON® is favourably positioned to grow. The company perceives attractive opportunities in the Europe and US markets. It intends to expand its sales and marketing presence in these geographies.

Immediate opportunity for IRIS GST is linked to the roll out of the eInvoicing mandate. The Government of India has put the criteria that companies with a turnover over ₹100 crore would need to move to an eInvoicing regime from October 2020 onwards. This would progressively reduce the compliance burden for companies while increasing initial investments in an automation solution which companies like IRIS are positioned to offer.

IRIS iDeal is poised to take advantage of emerging opportunities as central banks like the RBI are encouraging banks to discontinue manual submission and adopt an automated mode, especially given the granular data requirements.

Review of the financials

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 2019-20, the Company reported a revenue of ₹51.57 crore against ₹40.96 crore reported in 2018-19, resulting in a growth of 25.90%. The growth was mainly on account of IRIS iFile, IRIS Carbon and IRIS GST, which grew 42%, 14% and 22% respectively over the previous years.

- Revenues from the Collect segment grew 42.37% from ₹20.58 crore in 2018-19 to ₹29.30 crore in 2019-20.
- Revenues from the Create segment grew 10.57% from ₹16.84 crore in 2018-19 to ₹18.62 crore in 2019-20.
- Revenues from the Consume segment reported 23.79% ₹2.48 crore in 2018-19 to ₹3.07 crore in 2019-20.

Being a global player, the Company generated 59% of the revenues in 2019-20 from overseas and 41% from India compared

to 66.2% and 33.8% during the previous financial year.

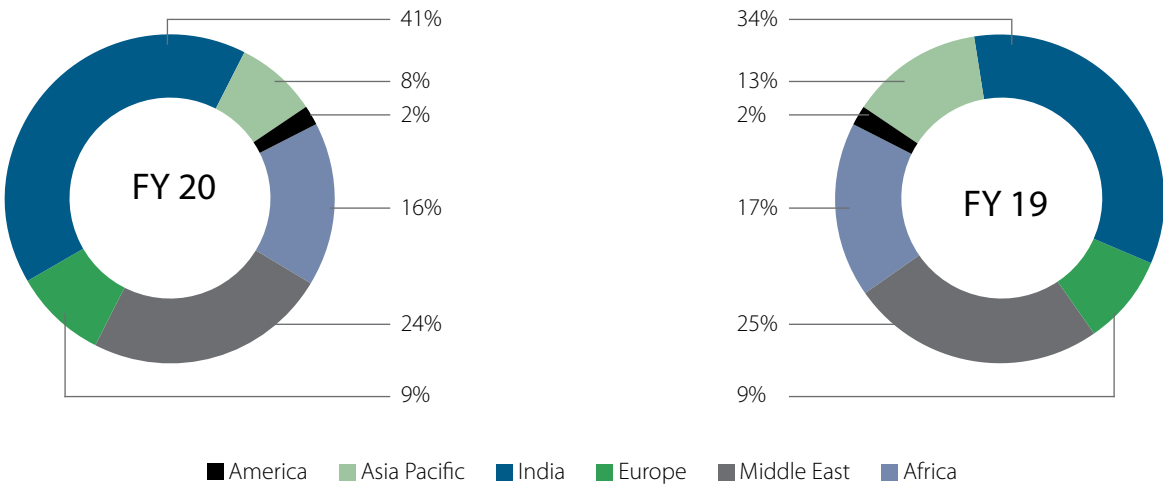
The Company reported an EBIDTA of ₹8.26 crore in 2019-20 against ₹0.33 crore in 2018-19. At the net level, the Company

swung to a profit of ₹0.46 crore, compared with a loss of ₹6.11 crore reported during the previous financial year.

Revenue by segment (₹ cr)

Segments	2019-20	2018-19
Collect	29.30	20.58
Create	18.62	16.84
Consume	3.07	2.48

Revenue by geography



Key financial ratios for the financial year march 31st 2020

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Return on Net Worth*	5.59%	-18.78%	1.89%	-22.50%
Current ratio**	1.14	0.96	1.12	0.95
Net Debt-Equity ratio***	0.35	0.27	0.38	0.29
Debtor days	123	109	125	109
Operating margin	6.33%	-7.55%	4.06%	-9.17%
Net Profit margin	3.05%	-13.28%	0.90%	-14.91%
Interest coverage ratio#	6.03	0.63	5.32	0.21

* 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

There was significant change in Return on Net worth, operating margin, net profit margin and interest coverage ratio during the year. The same was due to the fact that the company turned profitable during the year.

Employee retention

The Company provides an enabling and discrimination-free work environment. Employees are actively encouraged to take ownership of their area of activity and initiative is recognized.

This has led to good employee retention and the attrition rate is reasonably low at 14%.

Risk management

Risk management is applied across all management levels and functional and project areas.

The internal committee helps in the following activities:

- Provide overall coordination of risk management processes
- Develop guidelines to govern risk management processes
- Arrange training in risk management and internal control

- Review the risk portfolio and develop proposals on response strategy and reallocation of resources to manage respective risks
- Perform day-to-day monitoring of the risk management process across business units and controlled entities
- Prepare information and inform the Board of Directors and executive bodies on the effectiveness of the risk management process.

Key risk	Mitigation
Industry risk A slowdown in demand from user industries could impact business growth.	Global as well as Indian regulators are mandating XBRL adaptation for financial reporting. There has been a new opportunity in the markets of Europe and the US for XBRL-based reporting
Innovation risk Inability to innovate could impact business sustainability	The Company has been working with regulators across the world and developing products accordingly. The company's ability to customise products as per the needs of different geographies is a source of strength. A majority of capital investment is towards enhancing the suite of products.
Security and data privacy risk Inability to mitigate the risk of data security could impact the Company's reputation.	IRIS has been consistently ensuring the safety and security of the data of its users. It is also taking efforts to expose its systems to third party audits periodically.
Regulatory risk Frequent changes in regulatory compliances could make the product obsolete.	IRIS products are built in blocks, which helps in updation compared with a monolithic structure. The company has in-depth knowledge of regulatory changes, which, when supported by a by team of financial professionals, help in the updation process.
Pandemic risk Business could severely be disrupted due to onset of pandemic	IRIS' business is in the nature of IT products and associated services. . The company has successfully transitioned into a remote working mode for its product development and customer support activities, with the result that we are able to service our global clientele despite the pandemic.

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 system

The management discussion and analysis report containing your company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important

factors that could make a difference to the company's operation include raw material availability and prices, cyclical demand and pricing in the company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the company conducts business and other incidental factors.

NOTICE

NOTICE is hereby given that the Twentieth 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 Friday, 14th August, 2020 at 11:00 am (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, 2020 including the Balance Sheet as at March 31, 2020, 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 Mr. Swaminathan Subramaniam, who retires by rotation

To re-appoint Mr. Swaminathan Subramaniam, (DIN – 01185930), Whole Time Director, who retires by rotation at the Annual General Meeting and being eligible has offered himself for re-appointment.

Item No. 3 – To appoint the Auditors in place of the existing Auditors (who are not eligible to be re-appointed due to expiry of the maximum permissible tenure as the Auditors of the Company), to fix their remuneration, and to pass the following Resolution, as an Ordinary Resolution

“RESOLVED THAT pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company and in terms

of the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. Khimji Kunverji & Co LLP (Formerly Khimji Kunverji & Co), Chartered Accountants (Firm Registration No. 105146W/ W100621), be and are hereby appointed the Auditors of the Company, in place of the retiring Auditors, M/s. M. P. Chitale & Co., Chartered Accountants (Firm's Registration No. 101851W), to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 25th Annual General Meeting of the Company to be held in the calendar year 2025, at such remuneration plus applicable taxes and reimbursement of out-of pocket expenses in connection with the audit as may be mutually agreed between the Board of Directors of the Company and the Auditors;

RESOLVED FURTHER THAT Board of Directors are hereby authorised to revise the remuneration of the Auditors at their sole discretion and to do all such things as may be necessary to give effect to this resolution including filing all the necessary forms, documents with the Registrar of Companies;

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary be and is hereby authorised to issue a certified true copy of this resolution.”

By order of the Board of Directors

Jay Mistry

Place: Navi Mumbai Company Secretary & Compliance Officer

Date: 29th June, 2020 (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 (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 Twentieth 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 under Item No. 2 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 ("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, 2020, 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 Twentieth 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 Twentieth 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 CDSL (agency for providing the remote e-voting facility and e-voting system during the AGM i.e. www.evotingindia.com).
8. The Register of Members and Share Transfer Books of the Company will remain closed from August 08, 2020 to August 14, 2020 (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 Annual General Meeting (AGM), the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
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 / Company's RTA.
16. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, The Company has engaged the services of Central Depository Services (India) Limited ("CDSL"), who will provide the e-voting facility of casting votes to a Shareholder using remote e-voting system (e-voting from a place other than venue of the AGM) ("remote e-voting") as well as e-voting during the proceeding of the AGM ("e-voting at the AGM").
17. The cut-off date for the purpose of remote e-voting and e-voting at the AGM shall be Friday, August 7, 2020. 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. Friday, August 7, 2020, 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 CDSL www.evotingindia.com in due course. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

22. THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on Tuesday, August 11, 2020 at 9.00 a.m. (IST) and ends on Thursday, August 13, 2020 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the record / cut-off date i.e. August 7, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/ EASIEST e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

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

	For shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on “SUBMIT” tab. click on Forgot Password & enter the details as prompted by the system.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-voting”. The m-voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while remote voting on your mobile.

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:

- For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scan copy of the share certificate (front and back), PAN (self attested scan copy of PAN card), AADHAR (self attested scan copy of Aadhar Card) by email to the Company at cs@irisbusiness.com or the RTA at rnt.helpdesk@linkintime.co.in.
- 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 scan copy of PAN card), AADHAR (self attested scan copy of Aadhar Card) to the Company at cs@irisbusiness.com or the RTA at rnt.helpdesk@linkintime.co.in.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

- 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 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, 2020 (9.00 a.m. IST) to 8th August, 2020 (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, 2020 (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.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

- The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those shareholders, who are 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 available during the AGM.
- If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scan copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scan copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; priti.pjsassociates@gmail.com and cs@irisbusiness.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-voting from the e-voting system, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

Mr. Swaminathan Subramaniam, (DIN: 01185930), Whole-Time Director & CEO ('WTD') of the Company is one of the founders of the Company. He was appointed WTD of the Company with effect from 1st May, 2010 to hold office of WTD for a period of five years. He was additionally appointed and designated as the 'Chief Executive Officer' of the Company by the Board of Directors of the Company on 7th February, 2015 based on the recommendation of the Nomination and Remuneration Committee. He was further re-appointed by the

shareholders in the fifteenth AGM held on 29th September, 2015 for a period of 3 (three) years from 1st May, 2015 till 30th April, 2018 on the recommendation of the Board of Directors and the Nomination and Remuneration Committee of the Board at their meetings held on 7th February, 2015. His further re-appointment was with effect from 1st May 2018 for a period of 3 (three) years as per the approval of the shareholders of the Company at the 18th Annual General Meeting ('AGM') of the shareholders of the Company held on 31st August, 2018.

Mr. Swaminathan Subramaniam and Ms. Deepta Rangarajan are interested in the resolution at Item No. 2, being husband and wife. 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 shareholders in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 is as under:

(1)	Name of Director	Mr. Swaminathan Subramaniam
(2)	Age	58 years
(3)	DIN	01185930
(4)	Date of Birth	24.03.1962
(5)	Date of first appointment	03.10.2000
(6)	Number of Board meeting(s) attended during the year 2019-20	7
(7)	Other Directorships/ membership of committee (Includes only Audit Committee and Stakeholders Relationship Committee)	Directorship: a. IRIS Knowledge Foundation b. Investment Research and Information Services Limited No Committee membership in Audit / Stakeholders Relationship Committee of other Companies.
(8)	Qualification, brief resume and experience	Mr. Swaminathan Subramaniam, Founder and CEO, has 20+ years of experience in information technology, financial information, and media. An Economics Graduate with a Masters degree from Yale University, he was a Consultant to The World Bank in Washington, DC. Previously, he served in senior editorial positions with The Economic Times and Business India. He is Past Chairman, IT sub-committee, CII, Western Region, Past member, Regional Council, CII (Western Region) and Patron Member, Indian Merchants Chamber and Past Vice-Chairman, Indian Merchants Chamber, Navi Mumbai. He is also Honorary Chairman, Bharatiya Vidya Bhavan, Navi Mumbai Kendra
(9)	Expertise in specific functional areas	Mentioned above

(10) Terms & Conditions of Appointment/ Re- Re-appointment due to retirement by rotation.

(11)	Relationship with other Directors /KMP	Mr. Swaminathan Subramaniam is the husband of Ms. Deepta Rangarajan, Whole Time Director on the Board of the Company. Other than Ms. Deepta Rangarajan, he is not related to any other Director on the Board or Key Managerial Personnel ("KMP")
(12)	Number of shares held in Company	47,72,168
(13)	Shareholding in the Company (for other persons on a beneficial basis)	N.A.
(14)	Remuneration to be paid	Upto ₹45,00,000 per annum
(15)	Remuneration last drawn	₹30,00,000 per annum

ITEM NO. 3

M/s. M. P. Chitale & Co., Chartered Accountants (Firm's Registration No. 101851W), has been the Auditors of the Company since the financial year ending 2011. As per the provisions of Section 139 of the Act, no Company can appoint or re-appoint an audit firm as Statutory Auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement. In view of the above, M/s. M. P. Chitale & Co., hold office till the conclusion of ensuing Twentieth Annual General Meeting ("AGM") of the Company. The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on June 29, 2020 proposed the appointment of M/s. Khimji Kunverji & Co LLP (Formerly Khimji Kunverji & Co), Chartered Accountants (Firm Registration No. 105146W/ W100621) as the Statutory Auditors of the Company for a period of consecutive five years from the financial year 2020-21, to hold office from the conclusion of the 20th AGM till the conclusion of the 25th AGM of the Company to be held in the calendar year 2025. The appointment is made at a remuneration of ₹7,81,250/- (Rupees seven lakh eighty one thousand two hundred fifty only) per annum towards fees for Statutory Audit (including Limited Review) plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit. The proposed remuneration of M/s. Khimji Kunverji & Co. LLP is not more than the remuneration of M/s. M. P. Chitale & Co. and hence there is no material change in the fee payable to the new Auditor from that paid to the outgoing Auditor. M/s. Khimji Kunverji & Co. LLP, Chartered Accountants ("KKC") was

established in the year 1936. Its Head Office is in Mumbai and other offices in Bangalore, Pune and Ahmedabad. KKC caters full bouquet of assurance, advisory and consultancy services to its clients across all industries. KKC has rich experience to serve multi-national companies (MNCs), large corporates, small and medium enterprises (SMEs) and Owner Managed Businesses.

M/s. Khimji Kunverji & Co. LLP have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board recommends the Resolution set forth in Item No. 3 for approval by the shareholders.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the accompanying Notice.

By order of the Board of Directors

Jay Mistry

Place: Navi Mumbai
Date: 29th June, 2020

Company Secretary & Compliance Officer
(ACS 34264)

DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors ('Board') is pleased to present the Twentieth Annual Report of your Company, IRIS Business Services Limited, for the financial year ended 31st March, 2020. 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 2019 to 31st March 2020 in respect of IRIS Business Services Limited ('IRIS').

1. SUMMARY OF OPERATIONS / RESULTS

Particulars	Standalone		Consolidated	
	F.Y. 2020	F.Y. 2019	F.Y. 2020	F.Y. 2019
Turnover	48,88,22,751	39,89,44,133	50,99,76,517	39,89,44,133
Other Income	55,96,049	95,31,347	57,61,423	1,07,02,198
Total Expenditure	47,85,19,720	45,52,54,509	51,03,03,331	46,32,33,018
Operating Profit (Loss)	1,58,99,080	(4,67,79,029)	54,34,609	(5,35,86,687)
Exceptional Items	-	-	-	-
Net Profit (Loss) before tax	1,58,99,080	(4,67,79,029)	54,34,609	(5,35,86,687)
Tax Expense	-	-	-	-
Current Tax	-	-	-	-
Deferred Tax	4,32,287	47,25,927	4,32,287	47,25,927
Tax expense/(income) for earlier years	3,81,913	27,25,914	3,81,913	27,25,914
Profit (Loss) for the year	1,50,84,880	(5,42,30,870)	46,20,409	(6,10,38,528)

2. PERFORMANCE OF THE COMPANY

In the reporting year, your Company has continued to record growth in revenues while its efforts in containing costs and improving cash flows have been successful as well. In the reporting year, the Company has also notched up key wins in the regulatory platform business while its enterprise reporting solution expanded business in new markets too.

Highlights of our standalone financial results

Revenues:

Our total revenues in the fiscal year ended March 31st 2020 were ₹49.44 cr, an increase of 21.03% over our total revenues of ₹40.85 cr in the fiscal year ended March 31st, 2019.

Our revenues from operation in the fiscal year ended March 31st 2020 were ₹48.88 cr, an increase of 22.54% over our total revenues

from operations of ₹39.89 cr in the fiscal year ended March 31st 2019.

Our export revenues increased by 6.10% from ₹26.39 cr in fiscal year ended March 31st 2019 to ₹28.00 cr in fiscal year ended March 31st 2020. Also domestic revenues increased by 54.67% from ₹13.50 cr in fiscal year ended March 31st 2019 to ₹20.88 cr in fiscal year ended March 31st 2020.

Our revenues from "Collect" segment increased by 35.62% from ₹20.58 cr in the fiscal year ended 31st March 2019 to ₹27.91 cr in fiscal year ended 31st March 2020.

Revenues from "Create" segment grew by 6.29% from ₹16.84 cr in the fiscal year ended 31st March 2019 to ₹17.90 cr in the fiscal year ended 31st March 2020 primarily due to increased business from South African market and our inroads in the European market.

Revenues from "Consume" segment grew by 23.79% from ₹2.48 cr in the fiscal year ended 31st March 2019 to ₹3.07 cr in the fiscal year ended 31st March 2020.

Other Income:

Our other income primarily comprises of interest on bank deposits and foreign exchange gain/loss. Our other income in the fiscal year ended 31st March 2020 were ₹0.56 cr as compared to ₹0.95 cr in the fiscal year ended 31st March 2019. The decrease is primarily due to reduced interest on bank deposits and exchange gain due to foreign exchange rate fluctuations.

Employee Costs:

Employee costs net of capitalised cost in the fiscal year ended March 31st 2020 stood at ₹26.25 cr, an increase of 12.95% over our employee costs net of capitalised cost of ₹23.24 cr in the fiscal year ended March 31st 2019. Employee costs relate to salaries and bonus paid to employees.

Finance Costs:

Finance costs in the fiscal year ended March 31st 2020 were ₹1.54 cr, a decrease of 3.14% from our finance costs of ₹1.59 cr in the fiscal year ended March 31st 2019. Finance costs relate to interest paid by the Company on the credit facilities availed from the Banks/ Financial institutions.

Travel related expenses:

Our travel related expenses decreased by 4.05% from ₹2.96 cr for the fiscal year ended March 31st 2019 to ₹2.84 cr for the fiscal year ended March 31st 2020.

Other Expenses:

Our other expenses net of capitalised expenses decreased by 16.38% from ₹16.61 cr for the fiscal year ended March 31st 2019 to ₹13.89 cr for the fiscal year ended March 31st 2020.

Depreciation and Amortisation:

Our Depreciation and amortisation charge was ₹6.16 cr and ₹4.08 cr for the year ended March 31st 2020 and March 31st 2019 respectively representing 12.61% and 10.24% of revenues from operations for the year ended March 31st 2020 and March 31st 2019 respectively.

Exceptional Items:

There were no exceptional items reported for the fiscal year ended 31st March, 2020.

Financial highlights of our consolidated financial results

Revenues:

Our total revenues in the fiscal year ended March 31st 2020 were ₹51.57 cr, an increase of 25.90% over our total revenues of ₹40.96 cr in the fiscal year ended March 31st 2019.

Our revenues from operation in the fiscal year ended March 31st 2020 were ₹51.00 cr, an increase of 27.85% over our total revenues of ₹39.89 cr in the fiscal year ended March 31st 2019.

Our export revenues increased by 14.10% from ₹26.39 cr in fiscal year ended March 31st 2019 to ₹30.11 cr in fiscal year ended March

31st, 2020. Also domestic revenues strengthened / increased by 54.67% from ₹13.50 cr in fiscal year ended March 31st 2019 to ₹20.88 cr in fiscal year ended March 31st 2020.

Our revenues from "Collect" segment increased by 42.37% from ₹20.58 cr in the fiscal year ended 31st March 2019 to ₹29.30 cr in fiscal year ended 31st March 2020.

Revenues from "Create" segment grew by 10.57% from ₹16.84 cr in the fiscal year ended 31st March 2019 to ₹18.62 cr in the fiscal year ended 31st March 2020 primarily due to increased business from South African market and our inroads in the European market.

Revenues from "Consume" segment grew by 23.79% from ₹2.48 cr in the fiscal year ended 31st March 2019 to ₹3.07 cr in the fiscal year ended 31st March 2020.

Other Income:

Our other income primarily comprises of interest on bank deposits and foreign exchange gain/loss. Our other income in the fiscal year ended 31st March 2020 were ₹0.58 cr as compared to ₹1.07 cr in the fiscal year ended 31st March 2019. The decrease is primarily due to reduced interest on bank deposits and exchange gain due to foreign exchange rate fluctuations.

Employee Costs:

Employee costs net of capitalised cost in the fiscal year ended March 31st 2020 stood at ₹28.38 cr, an increase of 11.95% over our employee costs net of capitalised cost of ₹25.35 cr in the fiscal year ended March 31st 2019. Employee costs relate to salaries and bonus paid to employees.

Finance Costs:

Finance costs in the fiscal year ended March 31st 2020 were ₹1.55 cr, a decrease of 3.13% from our finance costs of ₹1.60 cr in the fiscal year ended March 31st 2019. Finance costs relate to interest paid by the Company on the credit facilities availed from the Banks/ Financial institutions.

Travel related expenses:

Our travel related expenses decreased by 0.30% at 3.29 cr for the fiscal year ended March 31, 2020 from ₹3.30 cr for March 31, 2019.

Other Expenses:

Our other expenses net of capitalised expenses decreased by 2.23% from ₹15.28 cr for the fiscal year ended March 31st 2019 to ₹14.94 cr for the fiscal year ended March 31st 2020.

Depreciation and Amortisation:

Our Depreciation and amortisation charge was ₹6.16 cr and ₹4.09 cr for the year ended March 31st 2020 and March 31st 2019 respectively representing 12.08% and 10.24% of revenues from operations for the year ended March 31st 2020 and March 31st 2019 respectively.

3. STATE OF COMPANY AFFAIRS

Your Company has been able to expand its footprint in the regulatory filing platform business with important wins in Oman and India. Many of our existing regulatory customers are also now

exploring another wave of investments in their reporting solutions which augurs well for the Company. In the enterprises segment, one key market that is opening up is in Europe where the Company has started off well with a few reputed names already in its customer list.

The US market is also showing signs of promise with a new mandate proposed by the Federal Energy Regulatory Commission. In addition, many states of the union are exploring XBRL based systems to capture data from the various state agencies which potentially could turn out to be an attractive opportunity. In this context, your Company has been actively taking part in working groups and in evangelizing the concept of structured data.

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

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, 2020.

6. CHANGE IN THE NATURE OF BUSINESS

There are no changes in the nature of business during the financial ended 31st March, 2020.

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 this financial statements relate and the date of the report.

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

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

9. RISK AND CONCERN

The Company operates in a global market characterised by intense competition. Although the Company has a strong position in the

area of external financial reporting and especially in XBRL based mandates, there is the need to have adequate marketing spend and product differentiation to establish presence and build market share.

The COVID-19 pandemic is still unfolding and while it is challenging to predict the full economic fall out of the contagion, we have undertaken an assessment to understand the impact on our business.

Our current view is that our business should be largely unaffected if the lockdown conditions recede over the next three to four months in the overseas markets. In a worst-case scenario, in which lockdown and travel restrictions exist across the world for a longer period, we could see a slowdown in acquisition of new business from the regulatory segment. Our business from the 'Create' segment is driven by regulatory mandates related to electronic reporting. Indications from the market are that the expected roll outs of mandates in our important markets would not be delayed materially. The execution cycle of a small number of our implementations has been delayed due to the initial lockdown imposition with a concomitant effect on the receivables position. However, indications are that things are now coming back to normalcy. On the other hand, 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 could see some reduction in our travel and overhead costs as a proportion to revenues.

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, 2020 nor there were any unpaid / unclaimed deposits at the financial year ended on 31st March, 2020. 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, 2020:

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.

During the year, the Company made investment of ₹85,78,700/- in IRIS Business Services, LLC, a subsidiary of the Company in the United States of America. During the year, the Company formed a subsidiary in India - IRIS Logix Solutions Private Limited ("IRIS Logix"). IRIS Logix, incorporated on 13th December, 2019, is in the business of providing solutions for e-way bill for transporters. The Company has subscribed to 76,000 equity shares of ₹10/- each in IRIS Logix, amounting to ₹7,60,000/- and constituting 76% of the equity share capital in IRIS Logix.

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, 2020, 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

There was no change in the authorized, issued and paid up share capital of the Company during the financial year ended 31st March, 2020.

- 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, 2020.
- ii. Issue of Sweat Equity Shares: The Company has not issued any Sweat Equity Shares during the financial year ended 31st March, 2020.
- iii. Issue of Employee Stock Options: The shareholders of the Company had 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 on 29th March, 2019. 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(s) 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, 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 ₹10/- each fully paid up. IRIS ESOS 2019 is subject to approval of shareholders of the Company and the Company is yet to seek approval of shareholders for IRIS ESOS 2019.

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

15. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Company has internal financial control and risk mitigation system which is constantly assessed and strengthened. The Company also conducts 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 ("Act") 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.

The Directors and the senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel.

The Independent Directors of the Company have enrolled their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL AND COMPOSITION OF BOARD

There was no change in the composition of the Board and the Committee of Board during the financial year ended 31st March, 2020. Further there was no change in the Key Managerial Personnel during the financial year ended 31st March, 2020. In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Swaminathan Subramaniam (DIN: 01185930), Whole Time Director, retires by rotation at the forthcoming Twentieth Annual General Meeting and being eligible has offered himself 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 3 years commencing from 1st May, 2018 on the recommendation of the Nomination and Remuneration Committee at its meeting held on 25th April, 2018, which was duly approved by the shareholders of the Company at the 18th Annual General Meeting of the Company ("18th AGM") held on 31st August, 2018.

The composition of Board of Directors of the Company as on 31st March, 2020 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 1 st May, 2018
2.	Mr. Balachandran Krishnan	00080055	Promoter, Whole Time Director & CFO	Period of 3 (three) years with effect from 1 st May, 2018
3.	Ms. Deepta Rangarajan	00404072	Promoter, Whole Time Director	Period of 3 (three) years with effect from 1 st May, 2018
4.	Mr. Vinod Balmukund Agarwala	01725158	Non-Executive Independent Director	Five years commencing from 27 th November, 2017 upto 26 th November, 2022
5.	Mr. Ashok Venkatramani	02839145	Non-Executive Independent Director	Five years commencing from 9 th October, 2017 upto 8 th October, 2022
6.	Mr. Bhaswar Mukherjee	01654539	Non-Executive Independent Director	Five years commencing from 9 th October, 2017 upto 8 th October, 2022

Following are the Key Managerial Personnel of the Company as on 31st March, 2020:

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

18. BOARD MEETING(S)

The Board met seven (7) times during the financial year ended 31st March, 2020. The meetings were held on 25th May, 2019, 20th July, 2019, 27th July, 2019, 31st August, 2019, 11th October, 2019, 13th November, 2019 and 13th February, 2020. 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 2019-20:

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

- 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.
- 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.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - 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;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report.
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
- 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.

- Review and monitor the auditor's independence, performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 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.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- 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.
- 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.
- 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.

(xxiii) Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore 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.

(xiv) 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:

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

The Audit Committee met four (4) times during the financial year ended 31st March, 2020 on 25th May, 2019, 31st August, 2019, 13th November, 2019 and 13th February, 2020.

The composition of the Audit Committee as on 31st March, 2020 is as follows:

Name of the Committee Member	Category	No. of meetings attended
Mr. Bhaswar Mukherjee (Chairman)	Independent Non-Executive Director	04
Mr. Vinod Agarwala	Independent Non-Executive Director	04
Mr. Ashok Venkatramani	Independent Non-Executive Director	04
Mr. Balachandran Krishnan	Whole time Director & CFO	04

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:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of independent directors and the Board.
- 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 Committee or by an independent external agency and review its implementation and compliance.

- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Devising a policy on Board diversity.
- 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.
- 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.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

- 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 once during the financial year ended March 31, 2020. The meeting was held on 25th May, 2019. 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, 2020 is as follows:

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

III. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

The Company has constituted a CSR Committee in accordance with Section 135 of the Companies Act, 2013. The Committee met once on 13th February, 2020 during the financial year ended March 31, 2020. The Composition of the Committee as on 31st March, 2020 is as follows:

The composition of the CSR Committee as on 31st March, 2020 is as follows:

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

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has constituted a Stakeholders 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 four (4) times during the financial year ended 31st March, 2020. The meetings were held on 25th May, 2019, 31st August, 2019, 13th November, 2019 and 13th February, 2020.

The terms of reference of the Committee are as follows:

- To look into various aspects of interest of shareholders, debenture holders and other security holders.
- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures.
- Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal.
- Allotment and listing of shares.

- Reference to statutory and regulatory authorities regarding investor grievances.
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances.
- 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.
- Review of measures taken for effective exercise of voting rights by shareholders.
- 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.
- 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.
- Any other power specifically assigned by the Board of Directors of the Company

The Composition of the Committee as on 31st March, 2020 is as follows:

Sr. No.	Name of the Member	Category	No. of meetings attended
1	Mr. Bhaswar Mukherjee (Chairman)	Independent Non-Executive Director	4
2	Ms. Deepta Rangarajan	Whole Time Director	3
3	Mr. Balachandran Krishnan	Whole Time Director & CFO	4

20. COMPLIANCE WITH SECRETARIAL STANDARD

During the period from 1st April, 2019 to 31st March, 2020, 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 CSR Committee is covered under ‘Committee of the Board’ part of the Directors’ Report.

The CSR policy of the Company is available on the website of the Company 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 Section 136 of the Act, the Report and Accounts are being sent to the shareholders 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 or by sending email to cs@irisbusiness.com. 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 (“NRC”) 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 could not be convened due to COVID-19 pandemic and consequent lockdown imposed by the Government of India. The Ministry of Corporate Affairs has given relaxation from holding one separate meeting of Independent Directors in the financial year 2019-20 as per its General Circular No. 11 /2020 dated 24th March, 2020 in view of COVID-19 pandemic.

A separate meeting of Independent Directors was held on 29th June, 2020 wherein the Independent Directors reviewed the performance of non-independent directors and the Board as a whole, the performance of the Chairperson of the Company by taking into account the views of executive directors and non-executive directors and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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. M. P. Chitale & Co., Chartered Accountants, (ICAI Firm Registration No. 101851W) were appointed as the Auditors of the Company by the shareholders of the Company at the Extra Ordinary General Meeting of the Company held on 8th April, 2011. In terms of the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. M. P. Chitale & Co., the Auditors of your Company shall hold office till the conclusion of the ensuing Twentieth AGM and they shall not be eligible for re-appointment due to expiry of the maximum permissible tenure as the Auditors of your Company. Your Board places on record its deep appreciation for the valuable contributions of the Auditors during their long association with you your Company and wishes them success in the future.

Your Board has decided to recommend the appointment of M/s. Khimji Kunverji & Co LLP as Statutory Auditors of the Company under Section 139 of the Companies Act, 2013. The Board places on record its appreciation of the services of the retiring Auditors M/s. M.P. Chitale & Co. who have been Auditors of the Company since the financial year 2011.

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 2019-20 and 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 March 31, 2020 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. Khimji Kunverji & Co., Chartered Accountants, Mumbai, were the Internal Auditor of the Company for the financial year 2019-20. 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. The Company is in the process of appointing Internal Auditors for the financial year 2020-21.

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. COST AUDIT

The Company is not required to maintain cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.

31. 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.

32. EXTRACT OF ANNUAL RETURN

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

of the Annual Return of the Company can also be accessed on the Company's website at <http://www.irisbusiness.com/investors/annual-report>.

33. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of loans and guarantees given and investments made as may be applicable and 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.

34. 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"):

- That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- That the directors had prepared the annual accounts on a going concern basis.
- 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.
- 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.

35. 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 341 permanent employees as on 31st March, 2020 while the count was 317 as on 31st March, 2019.

36. 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.

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

Your 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.

38. 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 March 31, 2020, the Company has not received any complaint under the Whistle Blower Policy of the Company.

39. 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 2019-20. The declaration to this effect is enclosed to this report as Annexure -10.

40. MANAGEMENT DISCUSSION AND ANALYSIS REPORT ("MDA")

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

41. 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.

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

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

	Swaminathan Subramaniam	Deepta Rangarajan	Balachandran Krishnan
Date: 29 th June, 2020	<i>Whole Time Director & CEO</i>	<i>Whole Time Director</i>	<i>Whole Time Director & CFO</i>
Place: Navi Mumbai	(DIN: 01185930)	(DIN: 00404072)	(DIN: 00080055)

ANNEXURE - 1 FORM AOC-1

(Pursuant to first provision to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate Companies or joint ventures

PART - A

Subsidiaries

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

Sr. No.	1	2	3	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)	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020	13.12.2019 to 31.03.2020
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 75.39, P & L 70.88	SGD Exchange Rate used ₹ Per unit for foreign currency BS 53.01 P&L 51.71	EURO Exchange Rate used ₹ Per unit for foreign currency BS 83.05 P&L 78.80	INR
Share capital	1,45,39,880	1,13,82,041	7,12,000	10,00,000
Reserves and surplus	(2,04,44,514)	(1,10,83,453)	1,61,215	(3,06,693)
Total assets	56,14,934	2,04,51,476	8,73,215	9,40,695
Total Liabilities	1,15,19,568	2,01,52,888	-	2,47,387
Investments	-	-	-	-
Turnover	71,65,168	2,86,12,138	-	55,365
Profit before taxation	(1,19,90,225)	18,67,825	(35,379)	(3,06,693)
Provision for taxation	-	-	-	-
Profit after taxation	(1,19,90,225)	18,67,825	(35,379)	(3,06,693)
Proposed Dividend	-	-	-	-
Extent of shareholding (in percentage)	100%	98.36%	100%	76%

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

PART B

Joint Ventures and associates

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

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

Date: 29th June, 2020
Place: Navi Mumbai

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

Deepta Rangarajan
Whole Time Director
(DIN: 00404072)

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

ANNEXURE - 2

DETAILS OF IRIS EMPLOYEES STOCK OPTION SCHEME, 2017

Date of shareholders' approval	13 th September, 2017
Total number of options approved under ESOS	7,00,000
Vesting requirements	Employee Stock Options granted under Scheme shall vest not earlier than 1 (one) year and not later than maximum Vesting Period of 4 (four) years from the date of Grant and that different vesting period may be decided by the Nomination and Remuneration Committee (NRC) for employees at discretion of the NRC.
Exercise price or pricing formula	The Exercise Price per Option shall be determined by the Nomination and Remuneration Committee being not lesser than the face value of the Share underlying such Option as on date of Grant.
Maximum term of options granted	Nine years
Source of shares (primary, secondary or combination)	N.A.
Variation in terms of options	N.A.
Method used to account for ESOS - Intrinsic or fair value	Fair Value
Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	N.A.
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	N.A.
(a) options granted;	7,00,000
(b) options vested;	5,31,000
(c) options exercised;	Nil
(d) the total number of shares arising as a result of exercise of option;	Nil
(e) options lapsed / cancelled;	1,53,000
(f) the exercise price;	₹32/- per Option
(g) variation of terms of options;	N.A.
(h) money realized by exercise of options;	N.A.
(i) total number of options in force;	5,47,000
(j) employee wise details of options granted to	
(i) senior managerial personnel/ key managerial personnel.	N.A.
(ii) any other employee who receives a grant of options in any one year of option amounting to five per cent or more of options granted during that year.	Refer Table -1 below
(iii) Identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	N.A.

A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Please refer Note 29 to the Standalone financials of the Company
(b) the method used and the assumptions made to incorporate the effects of expected early exercise;	Please refer Note 29 to the Standalone financials of the Company
(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Since shares of the Company got listed only on the Grant Date and there is no history of share price trading, expected volatility had been derived from historic values NSE VIX index as on the Grant date.
(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	N.A.

OPTION MOVEMENT DURING THE YEAR (FOR EACH ESOS)

Particulars	Details
Number of options outstanding at the beginning of the period	5,52,000
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	5,000
Number of options vested during the year	35,750
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options (INR), if scheme is implemented directly by the Company	N.A.
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	5,47,000
Number of options exercisable at the end of the year	5,31,000

TABLE - 1

Sr. No.	Name	Designation	Exercise Price (₹)	Options Granted
1	Shilpa Dhobale	XBRL Consulting Team – Head	₹32/- per Option	40,000
2	Arup Ganguly	Head Sales		40,000
3	Rahul Dhamne	Head Consulting		40,000
4	Gautam Mahanti	Vice President - Enterprise Reporting		50,000
5	Pradip Dey	Head Delivery		40,000

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

Date: 29 th June, 2020 Place: Navi Mumbai	Swaminathan Subramaniam Whole Time Director & CEO (DIN: 01185930)	Deepta Rangarajan Whole Time Director (DIN: 00404072)	Balachandran Krishnan Whole Time Director & CFO (DIN: 00080055)
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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

- 'Board' means Board of Directors of the Company.
- 'Directors' means Directors of the Company.
- 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- 'Company' means IRIS Business Services Limited.
- 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013.
- 'Key Managerial Personnel (KMP)' means-
 - Executive Chairman and / or Managing Director;
 - Whole-time Director;
 - Chief Financial Officer;
 - Company Secretary;
 - Such other officer as may be prescribed under the applicable statutory provisions/ regulations.
- "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;
- (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:

1. Fixed pay:

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including,

employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

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

3. Provisions for excess remuneration:

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

- **Remuneration to Non- Executive / Independent Director: Remuneration / Commission:**

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

Sitting Fees:

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

Commission:

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

Stock Options:

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

ANNEXURE - 4

CORPORATE SOCIAL RESPONSIBILITY

1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS

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

A detailed copy of the Corporate Social Responsibility 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

Not applicable as the Company has incurred net losses in the preceding three financial years.

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.

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 2016-17, 2017-18 and 2018-19. 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 the Board of Directors of IRIS Business Services Limited

Date: 29th June, 2020
Place: Navi Mumbai

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

Deepta Rangarajan
Whole Time Director
(DIN: 00404072)

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

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

- Total amount to be spent for the financial year - N.A. (refer point no. 6)
- Amount unspent, if any - N.A. (refer point no. 6)
- Manner in which the amount spent during the financial year is detailed below. - N.A. However, the expenditure made by the Company during the reporting period on a voluntary basis, 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 2019-20	Cumulative 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 Offering http://www.esocialsciences.org is a one stop portal for social scientists	Promotion of education related initiatives in the area of social sciences	-	The Company has approved contribution upto ₹5.00 lakh during the financial year 2019-20 and upto ₹5.00 lakh in the previous year (FY 2018-19).	The expenditure would be through IKF, the implementing agency. The expenditure may consist of direct expenditure as well as overheads.	₹3.50 Lakh	Through implementing agency

ANNEXURE - 5 FORM NO. AOC -2

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

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

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS.

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

2. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS.

Sr. No.	Particulars	Details						
1.	Name (s) of the related party & nature of relationship	Atanou S.R.L, Subsidiary	IRIS Business Services, LLC, Subsidiary	IRIS Knowledge Foundation, Private Company in which Director is a member / Director	IRIS Business Services (Asia) Pte Ltd, Subsidiary	FinX Solutions, Firm in which Director is a Partner	IRIS Logix Solutions Private Limited, Subsidiary (Note 1)	
2.	Nature of contracts / arrangements / transaction	Provide Computer Software and XBRL Services	Availing / Providing marketing support services for building business in United States	Donation	Avail marketing support and project coordination services	Provide software product and related services	Provide Computer Software services.	Investment
3.	Duration of the transaction	Financial Year 2019-20						
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.						
5.	Value of transaction (₹)	Nil	Nil	50,000	38,26,696	1,08,52,209	Nil	Nil
6.	Investment in the Subsidiary (₹)	Nil	85,78,700	NA	Nil	NA		7,60,000
7.	Date of approval by the Board	Not applicable as the transactions entered are at Arm's Length Price and in ordinary course of business as provided under Section 188(1) of the Companies Act, 2013.						Note 1
8.	Amount paid as advances, if any	Nil						

There were no material related party transactions during the financial year 2019-20 with related parties.

Note 1: IRIS Logix Solutions Private Limited was incorporated on 13th December, 2019 pursuant to the approval of the Board of Company on 13th November, 2019. There were no related party transactions between the Company and IRIS Logix Solutions Private Limited for the financial year ended 31st March, 2020

Note 2: TVS Wealth Private Limited and TVS Electronics Limited ceased to be related parties to the Company with effect from 2nd March, 2019 i.e. the date of resignation of Independent Director - Mr. Narayan Seshadri from the Board of the Company.

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

Date: 29 th June, 2020	Swaminathan Subramaniam Whole Time Director & CEO (DIN: 01185930)	Deepta Rangarajan Whole Time Director (DIN: 00404072)	Balachandran Krishnan Whole Time Director & CFO (DIN: 00080055)
Place: Navi Mumbai			

ANNEXURE - 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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 are as under:

Sr. No.	Name of Director / Key Managerial Personnel (KMP) and Designation	Remuneration of Director/ KMP for Financial Year 2019-20 (₹)	% increase in Remuneration in the Financial Year 2019-20	Ratio of Remuneration of each Director to median remuneration of employees*
1	Mr. Swaminathan Subramaniam, Whole Time Director & CEO	30,00,000	0	5.22 : 1
2	Ms. Deepta Rangarajan, Whole Time Director	30,00,000	0	5.22 : 1
3	Mr. Balachandran Krishnan, Whole Time Director & CFO	30,00,000	0	5.22 : 1
4	Mr. Jay Mistry, Company Secretary & Compliance Officer	12,32,581	6	2.14 : 1

* The Independent Directors of the Company viz. Mr. Vinod Agarwala, Mr. Ashok Venkatramani and Mr. Bhaswar Mukherjee 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 (0.34 : 1), Mr. Bhaswar Mukherjee (0.47 : 1), Mr. Vinod Agarwala (0.38 : 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 2019-20 was ₹5.75 lakh (as on 31st March 2020). For the financial year ended 2019-20, the median remuneration of employees was 10.86% higher compared to previous year.

3) There were 341 permanent employees on the Payroll of the Company as on 31st March 2020 as compared to 317 employees as on 31st March, 2019.

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 9%. 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 the Board of Directors of IRIS Business Services Limited

Date: 29 th June, 2020	Swaminathan Subramaniam	Deepta Rangarajan	Balachandran Krishnan
Place: Navi Mumbai	<i>Whole Time Director & CEO</i>	<i>Whole Time Director</i>	<i>Whole Time Director & CFO</i>
	(DIN: 01185930)	(DIN: 00404072)	(DIN: 00080055)

ANNEXURE - 7

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

(A) CONSERVATION OF ENERGY

- 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.
- The steps taken by the Company for utilizing alternates source of energy: NIL
- The capital investment on energy conservation equipments: NIL

(B) TECHNOLOGY ABSORPTION

- The efforts made towards technology absorption:
 - The Company primarily uses cloud based technologies and a virtualized environment for internal development activities.
 - 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. In addition, the Company is part of an 'ISpirit' collective to build a novel, mobile based, cash flow based lending ecosystem for small businesses.

- 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.
- In case of imported technology (imported during last three years reckoned from beginning of financial year):
 - Details of technology imported: Nil
 - Year of Import: Nil
 - Whether technology has been fully absorbed: Nil
 - If not fully absorbed, areas where absorption has not taken place and the reasons thereof: Nil
- The expenditure incurred on Research and Development: Capital Expenditure for IRIS OYNX Platform during the year 2019-20: ₹32,95,420. As a percentage of total revenue: 0.64%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- The Earnings in foreign Exchange during the financial year 2019-20: ₹27,38,01,882/-
- The outgo in foreign exchange during the financial year 2019-20: ₹3,47,26,098/-

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

Date: 29 th June, 2020	Swaminathan Subramaniam	Deepta Rangarajan	Balachandran Krishnan
Place: Navi Mumbai	<i>Whole Time Director & CEO</i>	<i>Whole Time Director</i>	<i>Whole Time Director & CFO</i>
	(DIN: 01185930)	(DIN: 00404072)	(DIN: 00080055)

ANNEXURE - 8
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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, 2020, 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, 2020 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.
- (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. There were no changes in the composition of the Board of Directors that took place during the period under review.

Place: Mumbai
 Date: June 29, 2020

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.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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 no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **Parikh & Associates**
 Company Secretaries

Sarvari Shah
Partner

FCS No: 9697 CP No: 11717
 UDIN: F009697B000394015

'Annexure A'

To,

The Members

IRIS Business Services Limited

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

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

For **Parikh & Associates**

Company Secretaries

Sarvari Shah

Partner

FCS No: 9697 CP No: 11717

UDIN: F009697B000394015

Place: Mumbai

Date: June 29, 2020

ANNEXURE 9 FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on 31.03.2020

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 Date	:	03-10-2000
3	Name of the Company	:	IRIS Business Services Limited
4	Category/Sub-category of the Company	:	Public Company Limited by Shares
5	Address of the Registered office & contact details	:	T-231, Tower 2, 3 rd Floor, International Infotech Park, Vashi-400703, Navi Mumbai, 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.	:	M/s. Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083, Maharashtra.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	IRIS Business Services (Asia) Pte. Ltd. (Address: 19 Keppel Road #07-08 Jit Poh Building, 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, Monti, 8 -20123, Milano)	Company Registration No. 2073449	Subsidiary	100%	2(87)
4	IRIS Logix Solutions Private Limited (Address: T-231, Tower 2, 3 rd 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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	74,22,220	-	74,22,220	39.31%	73,22,220	-	73,22,220	38.78%	(0.53)%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	74,22,220	-	74,22,220	39.31%	73,22,220	-	73,22,220	38.78%	(0.53)%
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other (specify)	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	74,22,220	-	74,22,220	39.31%	73,22,220	-	73,22,220	38.78%	(0.53)%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	4,000	-	4,000	0.02%	4,000	-	4,000	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	-	4,000	0.02%	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	55,98,578	7,52,780	63,51,358	33.64%	52,98,815	4,82,780	57,81,595	30.62	(3.02)%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	12,01,720	45,450	12,47,170	6.61%	10,99,849	45,450	11,45,299	6.07%	(0.54)%

ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	30,86,428	1,39,620	32,26,048	17.09%	39,42,428	1,39,620	40,82,048	21.62%	4.53%
c)NBFCs registered with RBI	20,000	-	20,000	0.11%	-	-	-	-	(0.11)%
d) Others (specify)	-	-	-	-	-	-	-	-	-
HUF	3,88,000	-	3,88,000	2.06%	3,64,000	-	3,64,000	1.93%	(0.12)%
Non Resident Indians	1,48,000	-	1,48,000	0.78%	1,72,000	-	1,72,000	0.91%	(0.13)%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	64,366	-	64,366	0.34%	-	-	-	-	(0.34)%
Trusts	8,000	-	8,000	0.04%	8,000	-	8,000	0.04%	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1,05,15,092	9,37,850	1,14,52,942	60.66%	1,08,85,092	6,67,850	1,15,52,942	61.19%	0.53%
Total Public (B)	1,05,19,092	9,37,850	1,14,56,942	60.68%	1,08,89,092	6,67,850	1,15,56,942	61.22%	0.53%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,79,41,312	9,37,850	1,88,79,162	100%	1,82,11,312	6,67,850	1,88,79,162	100	-

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01-Apr-2019)			Shareholding at the end of the year (31-March-2020)			% 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	48,72,168	25.81%	7.74%	47,72,168	25.28%	7.74%	(0.53)%
2	Deepta Rangarajan	14,46,052	7.66%	2.30%	14,46,052	7.66%	2.30%	-
3	Balachandran Krishnan	11,04,000	5.85%	1.75%	11,04,000	5.85%	1.75%	-
	Total	74,22,220	39.31%	11.79%	73,22,220	38.78%	11.79%	(0.53)%

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

Sr. No.	Particulars	Date	Reason for Change (Sale/ Purchase etc.)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Swaminathan Subramaniam Promoter, Whole Time Director & CEO						
	At the beginning of the year	01-Apr-19		48,72,168	25.81%	48,72,168	25.81
	Changes during the year	27-Dec-19	(Gift)	(1,00,000)	-	47,72,168	25.28
	At the end of the year	31-Mar-20		47,72,168	25.28%	47,72,168	25.28
2	Deepta Rangarajan Promoter, Whole Time Director						
	At the beginning of the year	01-Apr-19		14,46,052	7.66%	14,46,052	7.66%
	Changes during the year			-	-	-	-
	At the end of the year	31-Mar-20		14,46,052	7.66%	14,46,052	7.66%

3	Balachandran Krishnan Promoter, Whole Time Director & CFO						
	At the beginning of the year	01-Apr-19		11,04,000	5.85%	11,04,000	5.85%
	Changes during the year		-	-	-	-	-
	At the end of the year	31-Mar-20		11,04,000	5.85%	11,04,000	5.85%

(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-19		39,07,598	20.70%	39,07,598	20.70%
	Changes during the year	20-Mar-20	Sale	9,25,000	4.90%	29,82,598	15.80%
		27-Mar-20	Purchase	9,25,000	4.90%	39,07,598	20.70%
	At the end of the year	31-Mar-20		39,07,598	20.70%	39,07,598	20.70%
2	Madhuri Kela						
	At the beginning of the year	01-Apr-19		10,72,000	5.68%	10,72,000	5.68%
	Changes during the year	-		-	-	-	-
	At the end of the year	31-Mar-20		10,72,000	5.68%	10,72,000	5.68%
3	Millennium Developers Pvt. Ltd.						
	At the beginning of the year	01-Apr-19		5,40,000	2.86%	5,40,000	2.86%
	Changes during the year	-		-	-	-	-
	At the end of the year	31-Mar-20		5,40,000	2.86%	5,40,000	2.86%
4	Valuable Infrastructure Pvt. Ltd.						
	At the beginning of the year	01-Apr-19		4,68,320	2.48%	4,68,320	2.48%
	Changes during the year	-		-	-	-	-
	At the end of the year	31-Mar-20		4,68,320	2.48%	4,68,320	2.48%
5	Rajendran V						
	At the beginning of the year	01-Apr-19		0	0	0	0
		-		-	-	-	-
		27-Dec-19	Purchase	68,000	0.36%	68,000	0.36%
		03-Jan-20	Purchase	2,32,000	1.23%	3,00,000	1.59%
		17-Jan-20	Purchase	92,000	0.49%	3,92,000	2.08%
		24-Jan-20	Sale	24,000	0.13%	3,68,000	1.95%
	Changes during the year	31-Jan-20	Purchase	4,000	0.02%	3,72,000	1.97%
		14-Feb-20	Purchase	4,000	0.02%	3,76,000	1.99%
		21-Feb-20	Sale	8,000	0.04%	3,68,000	1.95%
		28-Feb-20	Purchase	12,000	0.06%	3,80,000	2.01%
		13-Mar-20	Purchase	32,000	0.17%	4,12,000	2.18%
	At the end of the year	31-Mar-20				4,12,000	2.18%
6	Mr. Vijay Gupta & Mrs. Rashmi Gupta						
	At the beginning of the year	01-Apr-19		3,00,586	1.59%	3,00,586	1.59%

Sr. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	Changes during the year	-		-	-	-	-
	At the end of the year	31-Mar-20		3,00,586	1.59%	3,00,586	1.59%
7	IRIS Employee Wellness LLP						
	At the beginning of the year	01-Apr-19		2,48,620	1.32%	2,48,620	1.32%
	Changes during the year	-		-	-	-	-
	At the end of the year	31-Mar-20		2,48,620	1.32%	2,48,620	1.32%
8	Vargis Jacob						
	At the beginning of the year	01-Apr-19		2,16,000	1.14%	2,16,000	1.14%
		05-Apr-19	Sale	4,000	0.02%	2,12,000	1.12%
		12-Apr-19	Purchase	4,000	0.02%	2,16,000	1.14%
		26-Apr-19	Purchase	4,000	0.02%	2,20,000	1.17%
		31-May-19	Sale	4,000	0.02%	2,16,000	1.14%
		07-Jun-19	Purchase	4,000	0.02%	2,20,000	1.17%
		02-Aug-19	Sale	4,000	0.02%	2,16,000	1.14%
		09-Aug-19	Sale	4,000	0.02%	2,12,000	1.12%
		16-Aug-19	Purchase	8,000	0.04%	2,20,000	1.17%
		30-Aug-19	Purchase	16,000	0.08%	2,36,000	1.25%
		27-Sep-19	Purchase	4,000	0.02%	2,40,000	1.27%
		25-Oct-19	Purchase	12,000	0.06%	2,52,000	1.33%
		01-Nov-19	Purchase	4,000	0.02%	2,56,000	1.36%
		08-Nov-19	Sale	16,000	0.08%	2,40,000	1.27%
		29-Nov-19	Sale	8,000	0.04%	2,32,000	1.23%
		07-Jan-20	Sale	2,32,000	1.23%	0	0.00%
	At the end of the year	31-Mar-20		-	-	-	-
9	Shailesh Gupta						
	At the beginning of the year	01-Apr-19		1,86,256	0.99%	1,86,256	0.99%
	At the end of the year	31-Mar-20		1,86,256	0.99%	1,86,256	0.99%
10	Koushik Sekhar						
	At the beginning of the year	01-Apr-19		0	0	0	0
		19-Jul-19	Purchase	12,000	0.06%	12,000	0.06%
		26-Jul-19	Purchase	4,000	0.02%	16,000	0.08%
		02-Aug-19	Purchase	8,000	0.04%	24,000	0.13%
	Changes during the year	23-Aug-19	Purchase	4,000	0.02%	28,000	0.15%
		08-Nov-19	Purchase	44,000	0.23%	72,000	0.38%
		15-Nov-19	Purchase	12,000	0.06%	84,000	0.44%
		22-Nov-19	Purchase	16,000	0.08%	1,00,000	0.53%
		24-Jan-20	Purchase	80,000	0.42%	1,80,000	0.95%
	At the end of the year	31-Mar-20		1,80,000	0.95%	1,80,000	0.95%
11	Asit C. Mehta Investment Intermediates Limited						
	At the beginning of the year	01-Apr-19		1,64,600	0.87%	1,64,600	0.87%

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
	Changes during the year	05-Apr-19	Purchase	4,000	0.02%	1,68,600	0.89%
		03-May-19	Purchase	4,000	0.02%	1,72,600	0.91%
		10-May-19	Purchase	4,000	0.02%	1,76,600	0.94%
		07-Jun-19	Purchase	4,000	0.02%	1,80,600	0.96%
		05-Jul-19	Purchase	4,000	0.02%	1,84,600	0.98%
		12-Jul-19	Sale	12,000	0.06%	1,72,600	0.91%
		26-Jul-19	Sale	4,000	0.02%	1,68,600	0.89%
		02-Aug-19	Sale	4,000	0.02%	1,64,600	0.87%
		09-Aug-19	Sale	4,000	0.02%	1,60,600	0.85%
		06-Sep-19	Purchase	4,000	0.02%	1,64,600	0.87%
		13-Sep-19	Sale	8,000	0.04%	1,56,600	0.83%
		04-Oct-19	Purchase	4,000	0.02%	1,60,600	0.85%
		18-Oct-19	Sale	4,000	0.02%	1,56,600	0.83%
		25-Oct-19	Purchase	4,000	0.02%	1,60,600	0.85%
		01-Nov-19	Sale	4,000	0.02%	1,56,600	0.83%
		15-Nov-19	Sale	4,000	0.02%	1,52,600	0.81%
		29-Nov-19	Purchase	4,000	0.02%	1,56,600	0.83%
		06-Dec-19	Sale	4,000	0.02%	1,52,600	0.81%
		03-Jan-20	Purchase	4,000	0.02%	1,56,600	0.83%
		10-Jan-20	Purchase	4,000	0.02%	1,60,600	0.85%
		17-Jan-20	Sale	4,000	0.02%	1,56,600	0.83%
		24-Jan-20	Purchase	4,000	0.02%	1,60,600	0.85%
		14-Feb-20	Purchase	4,000	0.02%	1,64,600	0.87%
		21-Feb-20	Sale	8,000		1,56,600	0.83%
		28-Feb-20	Sale	4,000	0.02%	1,52,600	0.81%
		06-Mar-20	Sale	8,000	0.04%	1,44,600	0.77%
		13-Mar-20	Purchase	8,000	0.04%	1,52,600	0.81%
		20-Mar-20	Purchase	20,000	0.11%	1,72,600	0.91%
		31-Mar-20				172600	0.91%
		At the end of the year					
12	Edelcap Securities Limited						
	At the beginning of the year	01-Apr-19		4,48,000	2.37%	4,48,000	2.37%
	Changes during the year	05-Apr-19	Sale	24,000	0.13%	4,24,000	2.25%
		12-Apr-19	Sale	12,000	0.06%	4,12,000	2.18%
		19-Apr-19	Sale	20,000	0.11%	3,92,000	2.08%
		26-Apr-19	Sale	16,000	0.08%	3,76,000	1.99%
		10-May-19	Sale	4,000	0.02%	3,72,000	1.97%
		17-May-19	Sale	4,000	0.02%	3,68,000	1.95%
		24-May-19	Sale	16,000	0.08%	3,52,000	1.86%
		07-Jun-19	Sale	16,000	0.08%	3,36,000	1.78%
		21-Jun-19	Sale	12,000	0.06%	3,24,000	1.72%
		05-Jul-19	Sale	12,000	0.06%	3,12,000	1.65%

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
	Changes during the year	13-Dec-19	Sale	60,000	0.32%	2,52,000	1.33%
		20-Dec-19	Sale	4,000	0.02%	2,48,000	1.31%
		17-Jan-20	Sale	1,16,000	0.61%	1,32,000	0.70%
		24-Jan-20	Sale	28,000	0.15%	1,04,000	0.55%
		At the end of the year				1,04,000	0.55%
13	Pinky Ventures Private Limited						
	At the beginning of the year	01-Apr-19		2,92,586	1.55%	2,92,586	1.55%
	Changes during the year	12-Apr-19	Sale	36,000	0.19%	2,56,586	1.36%
		10-May-19	Sale	4,000	0.02%	2,52,586	1.34%
		24-May-19	Sale	8,000	0.04%	2,44,586	1.30%
		30-Sep-19	Sale	16,000	0.08%	2,28,586	1.21%
		04-Oct-19	Sale	12,000	0.06%	2,16,586	1.15%
		11-Oct-19	Sale	8,000	0.04%	2,08,586	1.10%
		01-Nov-19	Sale	2,08,586	1.10%	0	0
	At the end of the year	31-Mar-20		0	0	0	0

Notes:

1. Paid up Share Capital of the Company (Face Value ₹10.00) at the end of the year is 18879162 Shares.
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-19		48,72,168	25.81%	48,72,168	25.81%
	Changes during the year	27-Dec-19	(Gift)	1,00,000	0.53%	47,72,168	25.28%
	At the end of the year	31-Mar-20		47,72,168	25.28%	47,72,168	25.28%
2	Mr. Balachandran Krishnan, Whole Time Director & CFO						
	At the beginning of the year	01-Apr-19		11,04,000	5.85%	11,04,000	5.85%
	Changes during the year	-	-	-	-	-	-
	At the end of the year	31-Mar-20		11,04,000	5.85%	11,04,000	5.85%
3	Ms. Deepta Rangarajan, Whole Time Director						
	At the beginning of the year	01-Apr-19		14,46,052	7.66%	14,46,052	7.66%
	Changes during the year			-	-	-	-
	At the end of the year	31-Mar-20		14,46,052	7.66%	14,46,052	7.66%
4	Mr. Ashok Venkatramani						
	At the beginning of the year	01-Apr-19		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-20		-	0.00%	-	0.00%
5	Mr. Bhaswar Mukherjee						
	At the beginning of the year	01-Apr-19		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-20		-	0.00%	-	0.00%
6	Mr. Vinod Agarwala						
	At the beginning of the year	01-Apr-19		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-20		-	0.00%	-	0.00%
7	Mr. Jay Mistry, Company Secretary & Compliance Officer						
	At the beginning of the year	01-Apr-19		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-20		-	0.00%	-	0.00%

V. INDEBTEDNESS

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,87,81,534	-	-	6,87,81,534
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6,87,81,534	-	-	6,87,81,534
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	(1,70,88,889)	-	-	(1,70,88,889)
Net Change	(1,70,88,889)	-	-	(1,70,88,889)
Indebtedness at the end 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

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

(in ₹)

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

					(in ₹)
Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Mr. Ashok Venkatramani	Mr. Bhaswar Mukherjee	Mr. Vinod Agarwala	
	Fee for attending board and committee meetings	1,95,000	2,70,000	2,20,000	6,85,000
	Commission	-	-	-	-
	Others, please specify				-
	Total (1)	1,95,000	2,70,000	2,20,000	6,85,000
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	1,95,000	2,70,000	2,20,000	6,85,000
	Total Managerial Remuneration	1,95,000	2,70,000	2,20,000	6,85,000
	Overall Ceiling as per the Act	-	-	-	-

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

				(in ₹)
Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name	Mr. Jay Mistry		
	Designation	Company Secretary & Compliance Officer		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,32,581		12,32,581
	(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	12,32,581		12,32,581

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

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

Date: 29th June, 2020
Place: Navi Mumbai

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

Deepta Rangarajan
Whole Time Director
(DIN: 00404072)

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

ANNEXURE – 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, 2020, 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

Swaminathan Subramaniam
Whole Time Director & CEO

Date: June 29, 2020
Place: Navi Mumbai

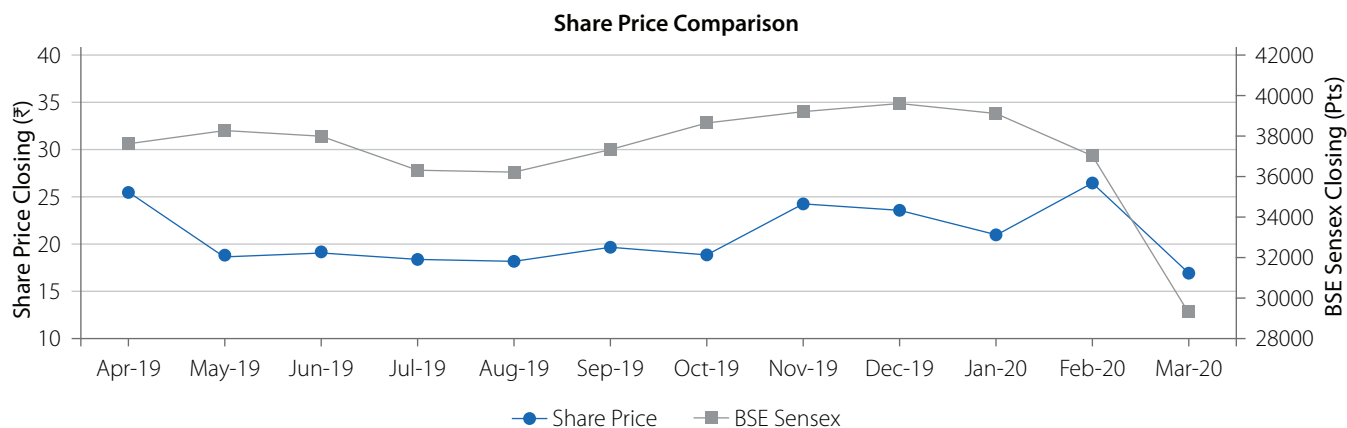
GENERAL SHAREHOLDERS INFORMATION

1	Date, Time & Venue of Annual General Meeting	Friday, 14 th August, 2020 at 11:00 am (IST) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”)																																										
2	Book closure date	Saturday, August 08, 2020 to Friday, August 14, 2020 (both days inclusive)																																										
3	E-voting period	Tuesday, August 11, 2020 at 9.00 a.m. (IST) to Thursday, August 13, 2020 at 5.00 p.m. (IST)																																										
4	E-Voting cut off date	Friday, August 7, 2020																																										
5	Financial Year	The Financial Year Covers the period from 1 st April to 31 st March																																										
6	Listing on Stock Exchange	BSE Limited																																										
7	Stock Exchange Address	P.J. Towers, Dalal Street, Fort, Mumbai – 400 001																																										
8	Confirmation about payment of Annual Listing fee to Stock Exchange	The Company has paid listing fees for the financial year 2020-21.																																										
9	Stock Code	540735																																										
10	ISIN No.	INE864K01010																																										
11	Market Price data of Company	<table><tr><th>Month</th><th>High (₹)</th><th>Low (₹)</th></tr><tr><td>April 2019</td><td>34.50</td><td>27.60</td></tr><tr><td>May 2019</td><td>27.00</td><td>20.00</td></tr><tr><td>June 2019</td><td>21.40</td><td>17.25</td></tr><tr><td>July 2019</td><td>20.25</td><td>15.80</td></tr><tr><td>August 2019</td><td>23.50</td><td>18.35</td></tr><tr><td>September 2019</td><td>22.50</td><td>15.50</td></tr><tr><td>October 2019</td><td>21.00</td><td>16.80</td></tr><tr><td>November 2019</td><td>28.00</td><td>20.50</td></tr><tr><td>December 2019</td><td>28.30</td><td>25.00</td></tr><tr><td>January 2020</td><td>25.85</td><td>22.50</td></tr><tr><td>February 2020</td><td>28.75</td><td>20.80</td></tr><tr><td>March 2020</td><td>29.95</td><td>13.55</td></tr></table>				Month	High (₹)	Low (₹)	April 2019	34.50	27.60	May 2019	27.00	20.00	June 2019	21.40	17.25	July 2019	20.25	15.80	August 2019	23.50	18.35	September 2019	22.50	15.50	October 2019	21.00	16.80	November 2019	28.00	20.50	December 2019	28.30	25.00	January 2020	25.85	22.50	February 2020	28.75	20.80	March 2020	29.95	13.55
Month	High (₹)	Low (₹)																																										
April 2019	34.50	27.60																																										
May 2019	27.00	20.00																																										
June 2019	21.40	17.25																																										
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November 2019	28.00	20.50																																										
December 2019	28.30	25.00																																										
January 2020	25.85	22.50																																										
February 2020	28.75	20.80																																										
March 2020	29.95	13.55																																										
12	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																																										
13	Share Transfer System	Registrar and transfer Agent carry out share transfer activities and shares are transferred within stipulated time.																																										
14	Distribution of shareholding as on 31 st March, 2020	Given below																																										
	No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholding																																							
	1 - 500	21	5.0239	4,240	0.0225																																							
	501 - 1000	8	1.9139	5,906	0.0313																																							
	1001 - 2000	9	2.1531	13,195	0.0699																																							
	2001 - 3000	8	1.9139	19,838	0.1051																																							
	3001 - 4000	213	50.9569	8,48,960	4.4968																																							
	4001 - 5000	6	1.4354	27,000	0.1430																																							
	5001 - 10000	52	12.4402	4,06,617	2.1538																																							
	10001 and above	101	24.1627	1,75,53,406	92.9777																																							
	Total	418	100	1,88,79,162	100																																							

15	Dematerialisation of share and liquidity	As of 31 st March, 2020, out of total shareholding, 1,82,11,312 equity shares were held in Demat form. The shares of the Company are traded on BSE Limited.
16	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
17	Address of Registered Office	IRIS Business Services Limited T-231, Tower 2, 3 rd Floor, International Infotech Park, Vashi Station, Vashi - 400 703, Maharashtra, India. Tel.: +91 22 6723 1000 Fax: +91 22 2781 4434 Email ID: cs@irisbusiness.com Website: www.irisbusiness.com

18	Category of Shareholding as of 31 st March, 2020	No. of Shares	% of total shares
	Promoters	73,22,220	38.78
	Nationalised Banks	4,000	0.02
	Clearing members	0	0
	HUF	3,64,000	1.93
	Trusts	8,000	0.04
	Corporate Bodies	57,81,595	30.62
	NRIs	1,72,000	0.91
	Indian Public	52,27,347	27.69
	Total	18,879,162	100.00

19	Share Price Performance in Comparison with BSE Sensex		As given below		
	Month	IRIS Business Services Limited			BSE Sensex (Pts)
		High (₹)	Low (₹)	Close (₹)	Close
	April, 2019	34.50	27.60	27.60	39031.55
	May, 2019	27.00	20.00	20.00	39714.20
	June, 2019	21.40	17.25	20.35	39394.64
	July, 2019	20.25	15.8	19.45	37481.12
	August, 2019	23.50	18.35	19.25	37332.79
	September, 2019	22.50	15.50	21.00	38667.33
	October, 2019	21.00	16.80	20.05	40129.05
	November, 2019	28.00	20.50	26.20	40793.81
	December, 2019	28.30	25.00	25.50	41253.74
	January, 2020	25.85	22.50	22.50	40723.49
	February, 2020	28.75	20.80	28.75	38297.29
	March, 2020	29.95	13.55	17.80	29468.49



Independent Auditor's Report

To the Members of
IRIS BUSINESS SERVICES LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the standalone financial statements of IRIS BUSINESS SERVICES LIMITED ("the Company"), which comprise the Balance sheet as at March 31, 2020, the statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2020, and its profit and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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. We have determined the matters described below to be the KAM 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	<p>Impairment of Intangibles :</p> <p>As per the Accounting standard 28, the Company is required to annually test the carrying amount of assets for impairment. The total assets of the Company are Rupees 64,99,41,936/- and the carrying value of Intangible assets is Rupees 16,99,15,615/- which is material amount.</p> <p>The management's assessment process is complex and highly judgmental and is based on assumptions, specifically about the number of potential customers for the products of the Company, the cost that the Company is required to spent to upkeep the product, the geography that the product will cater, etc., which are affected by expected future market or economic conditions worldwide.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following :</p> <ul style="list-style-type: none"> Evaluating the design of internal controls relating to recording the cost of capitalisation of intangibles, selecting an asset and testing the same for impairment and its application. Selecting a sample of intangible asset which are capitalised till date and inspection of evidences and the process followed for its capitalisation and impairment testing and of performance of these controls, tested the operating effectiveness of the internal controls relating to the same. Follow the principal laid down in the Accounting Standard 28 for impairment testing as a substantive process. Obtaining an understanding about the future projections prepared by the management, assumptions used for the same and the discounting rate used. Comparing the pricing used in the projections with the existing contracts.

Emphasis of Matter

We draw attention of the members to the note 35 regarding financial position of Company's Subsidiary IRIS Business Services, LLC. The net assets of the company are negative as on the Balance Sheet date. The management has stated that it will continue to provide its support as and when necessary. Our opinion is not modified in respect of this matter.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the standalone financial Statements

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

view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, 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 over financial reporting 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 auditors' 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 auditors' 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.

Report on Other Legal and Regulatory Requirements

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

As required by section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations

which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of

M. P. Chitale & Co

Chartered Accountants

Firm's registration number: 101851W

Santosh More

Partner

Place: Mumbai

Date: June 29, 2020

Membership number: 114236

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deed of Leasehold immovable property is held in the name of the Company.
- 2) The Company is engaged in the business of providing services in connection with XBRL and XBRL Conversion, development and maintenance of websites, supply of software & providing software-related services. Accordingly it does not hold any physical inventories. Consequently, the reporting regarding inventories under clause 3(ii) of Order is not applicable in the case of the Company.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not

been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, Goods and Service Tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore,

the provisions of clause 4 (xii) of the Order are not applicable to the Company.

- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with

directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

- 16) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of

M. P. Chitale & Co

Chartered Accountants

Firm’s registration number: 101851W

Santosh More

Partner

Place: Mumbai

Date: June 29, 2020

Membership number: 114236

“Annexure B” to the Independent Auditor’s Report

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of IRIS BUSINESS SERVICES LIMITED

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

To the Members of
IRIS Business Service Limited.

We have audited the internal financial controls over financial reporting of IRIS Business Service Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over

financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Santosh More
Partner
Place: Mumbai
Date: June 29, 2020
Membership number: 114236

Standalone Balance Sheet as at 31 March, 2020

(Amount in ₹)			
Particulars	Note No	As at 31 March, 2020	As at 31 March, 2019
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	18,87,91,620	18,87,91,620
(b) Reserves and surplus	4	8,87,98,617	7,36,22,313
2. Share application money pending allotment		-	-
3. Non-current liabilities			
(a) Long-term borrowings	5	2,89,07,460	4,59,96,349
(b) Deferred tax liabilities (Net)		58,34,163	54,01,876
(c) Long-term provisions	6	3,04,81,139	1,95,63,392
4. Current liabilities			
(a) Short-term borrowings	7	5,86,06,793	5,94,34,514
(b) Trade payables			
i) total outstanding dues of micro enterprises and small enterprises; and		26,66,303	27,86,336
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,79,20,514	2,69,74,269
(c) Other current liabilities	8	9,55,49,825	10,10,65,515
(d) Short-term provisions	9	13,23,85,502	12,41,05,557
TOTAL		64,99,41,936	64,77,41,741
II. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	10		
(i) Tangible assets		9,62,28,751	9,83,57,070
(ii) Intangible assets		16,99,15,615	22,73,20,578
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		32,95,420	-
(b) Non-current investments	11	2,70,84,538	1,77,45,838
(c) Long-term loans and advances	12	33,02,579	4,74,410
(d) Other non-current assets	13	-	9,87,020
2. Current assets			
(a) Trade receivables	14	16,41,61,095	11,86,85,923
(b) Cash and Bank Balance	15	1,31,05,947	5,78,00,560
(c) Short-term loans and advances	16	89,00,445	87,65,190
(d) Other current assets	17	16,39,47,546	11,76,05,152
TOTAL		64,99,41,936	64,77,41,741

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

As per our Report of even date attached

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

Santosh More
Partner
Membership No. 114236

Place : Mumbai
Date : June 29, 2020

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 31 March, 2020

(Amount in ₹)			
Particulars	Note No.	Year ended 31 March, 2020	Year ended 31 March, 2019
I. Revenue from operations	18	48,88,22,751	39,89,44,133
II. Other income	19	55,96,049	95,31,347
III. Total Revenue (I + II)		49,44,18,800	40,84,75,480
IV. Expenses:			
Employee benefits expense	20	26,25,38,741	23,23,99,793
Finance costs	21	1,54,21,322	1,59,28,053
Depreciation and amortisation expense	22	6,16,46,331	4,08,47,659
Other expenses	23	13,89,13,326	16,60,79,004
Total expenses		47,85,19,720	45,52,54,509
V. Profit from ordinary activities before exceptional and extraordinary items and tax (III-IV)		1,58,99,080	(4,67,79,029)
VI. Exceptional expenses / (incomes)		-	-
VII. Profit from ordinary activities before extraordinary items and tax (V - VI)		1,58,99,080	(4,67,79,029)
VIII. Extraordinary Items		-	-
IX. Profit from ordinary activities before tax (VII- VIII)		1,58,99,080	(4,67,79,029)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		4,32,287	47,25,927
(3) Tax expense / (income) for earlier years		3,81,913	27,25,914
XI. Profit (Loss) for the period from continuing operations (IX-X)		1,50,84,880	(5,42,30,870)
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)		1,50,84,880	(5,42,30,870)
XVI. Earnings per equity share:			
(1) Basic		0.80	(2.87)
(2) Diluted		0.80	(2.87)

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

As per our Report of even date attached

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

Santosh More
Partner
Membership No. 114236

Place : Mumbai
Date : June 29, 2020

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 31 March, 2020

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,58,99,080	(4,67,79,029)
Adjustments for:		
Depreciation and amortisation	6,16,46,331	4,08,47,659
Write-off of withholding tax	62,30,203	1,71,70,767
Loss on sales of assets	-	27,426
Expense on employee stock option scheme	91,424	16,46,028
Interest expenses	1,34,71,419	1,44,57,888
Profit on sale / discarding of office equipment	-	(50,476)
Interest income	(13,18,797)	(51,42,458)
Total	8,01,20,580	6,89,56,834
Operating Cash Profit before Working Capital Changes	9,60,19,660	2,21,77,805
(Increase) / Decrease in Sundry Debtors	(4,54,75,172)	1,47,85,928
(Increase) / Decrease in Short Term Loans & advances and Deposits	2,50,39,763	(61,57,053)
(Increase) / Decrease in Other Current Assets	(3,37,77,192)	1,26,32,650
(Increase) / Decrease in Long Term Loans and advances	(28,28,169)	-
(Increase) / Decrease in Other Non - Current Assets	9,87,020	57,89,774
(Decrease) / Increase in Trade Payables	(91,73,788)	(1,21,83,446)
(Decrease) / Increase in Other Current Liabilities	(59,88,968)	40,46,740
Increase / (Decrease) in Balance of cash credit facilities	(8,27,721)	(81,70,949)
(Decrease) / Increase in Long term Provisions	1,09,17,747	52,81,521
(Decrease) / Increase in Short term Provisions	82,79,945	(1,35,30,697)
Total	(5,28,46,535)	24,94,468
Taxes Paid	(1,91,94,058)	(1,03,81,528)
Net Cash Inflow / (Outflow) in course of Operating Activities (A)	2,39,79,067	1,42,90,745
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment (including capital advances)	(21,13,049)	(13,26,471)
In-house Software Products Capitalisation	(32,95,420)	(39,00,730)
Interest Income Received	13,35,537	50,68,249
Sales / Scrap Value of Property, plant and equipment	-	50,476
Investments in Subsidiaries	(93,38,700)	(60,71,405)
Net Cash Inflow / (Outflow) in the course of Investing Activities (B)	(1,34,11,632)	(61,79,881)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Fresh Loan /(Repayment) of term loans during the year (net)	(1,70,88,889)	(2,27,85,185)
Interest paid on Term Loans	(1,29,98,141)	(1,44,57,888)
Net cash flow used in financing activities (C)	(3,00,87,030)	(3,72,43,073)
Net increase / (decrease) in Cash and cash equivalents (A + B + C)	(1,95,19,595)	(2,91,32,209)
Add: Balance of Cash and Cash Equivalents at the beginning of the year	2,31,94,874	5,23,27,083
Cash and Cash Equivalents at the close of the year	36,75,279	2,31,94,874
Cash and bank balance as per note 15 at the end of the year	1,31,05,947	5,78,00,560
Less: Term Deposits not considered as cash & cash equivalents as per AS-3	(94,30,668)	(3,46,05,686)
Cash/Cash Equivalents at the close of the year	36,75,279	2,31,94,874

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

As per our Report of even date attached

For **M. P. Chitale & Co.**

Chartered Accountants

FRN: 101851W

Santosh More

Partner

Membership No. 114236

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

Place : Mumbai

Date : June 29, 2020

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

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 June 29, 2020.

2 Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

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

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

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

2.2 Revenue Recognition

Revenue is 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.

Other Income

- Interest on Bank deposits is recognised on accrual basis.

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

- 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.

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 Lives (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 many 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 Statement for the year ended 31 March, 2020

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 Miscellaneous Expenditure Including Share Issue Expenses

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

2.9 Foreign Currency Transactions

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

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

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 Statement of Profit & Loss.

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.

2.10 Prepaid Expenses

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

2.11 Employee Benefits

Short-term employee benefits including salaries, wages, bonus and other benefits are recognised as expenses at the actual value as per contractual terms & charged to the Statement of Profit & Loss 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.

2.12 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.

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

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.

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

2.16 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.17 Accounting for Employee Stock Options

Stock options granted to employees of IRIS Business Services Limited and its subsidiaries under the stock option schemes approved by the shareholders of the Company on September 13, 2017 are accounted as per the treatment prescribed by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accounts of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The fair value of the option being stock option granted for purchase could be exchanged between knowledgeable, willing parties in an arm's length transaction is recognised as deferred employee compensation with a credit to share options outstanding account. The Expense on deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to Expense on Employee Stock Option Scheme, equal to the amortised portion of value of lapsed portion and a debit to share options outstanding account equal to the un-amortised portion.

2.18 Cash and Bank Balance

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less.

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 3 - Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	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	1,88,79,162	18,87,91,620	1,88,79,162	18,87,91,620
Subscribed & Paid up				
Equity Shares of ₹ 10/- each fully paid	1,88,79,162	18,87,91,620	1,88,79,162	18,87,91,620
Total	1,88,79,162	18,87,91,620	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, 2020		As at March 31, 2019	
	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		-	-	-
Shares bought back during the year		-	-	-
Shares outstanding at the end of the year	1,88,79,162	18,87,91,620	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, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
S Swaminathan	47,72,168	25.28	48,72,168	25.81
Vistra ITCL India Limited (Trustee for Shubkam Growth Fund I)	39,07,598	20.70	39,07,598	20.70
Deeptha Rangarajan	14,46,052	7.66	14,46,052	7.66
K Balachandran	11,04,000	5.85	11,04,000	5.85
Madhuri Kela	10,72,000	5.68	10,72,000	5.68
Total	1,23,01,818		1,24,01,818	

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, 2020	As at March 31, 2019
Number of shares to be issued under the Employee Stock Option Plans	5,47,000	5,52,000

[Refer note 29 for details of shares to be issued under the Employee Stock Option Scheme.]

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

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)				
	2019-20	2018-19	2017-18	2016-17	2015-16
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	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
a. Securities Premium		
Opening Balance	11,08,26,740	11,08,26,740
Add : Securities premium credited on share issue	-	-
Less : Premium Utilised for various reasons		
For Issuing Bonus Shares	-	-
Closing Balance	11,08,26,740	11,08,26,740
b. Share Options Outstanding Account		
Opening Balance	38,62,248	22,16,220
Add: Amounts recorded on grants/modifications/cancellations during the year	91,424	16,46,028
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	39,53,672	38,62,248
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	(4,15,41,675)	1,26,89,195
(+) Net Profit/(Net Loss) For the current year	1,50,84,880	(5,42,30,870)
Closing Balance	(2,64,56,795)	(4,15,41,675)
Total	8,87,98,617	7,36,22,313

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 5 - Long Term Borrowings

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
(a) Term loans		
# from Federal Bank	5,16,92,645	6,87,81,534
(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		
Collateral:		
> Pledge of shares by promoters to the extent of 30% of the equity.		
> This loan is guaranteed by executive directors of the Company		
> Exclusive charge by way of assignment of entire cash flows of the Company as an additional security		
Amount disclosed under the head Other Current Liabilities See Note No. 8 (a)*	(2,27,85,185)	(2,27,85,185)
Total	2,89,07,460	4,59,96,349

* Based on the RBI circular RBI/201920/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 and vide its letter dated 11th May 2020 Ref no. CIB/VG/IBSL/TL-MT/2019, the Bank has granted one-time moratorium for the installment and interest due in the months of March, April and May 2020. Subsequently RBI has announced that even June, July and August 2020 Installments are deferred and hence we do not expect the bank will demand these deferred EMIs along with other regular EMIs in next 12 months and we believe that we will be paying 4 quarterly EMIs in the next 12 months.

Note 6 - Long-Term Provisions

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Gratuity	2,63,90,215	1,71,78,609
- Leave Encashment	40,90,924	23,84,783
Total	3,04,81,139	1,95,63,392

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 7 - Short Term Borrowings

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
(a) Loans repayable on demand		
from banks		
Cash Credit facility from Federal bank	5,86,06,793	5,94,34,514
Limit renewed to ₹ 6,00,00,000 on 24th Sept 2019		
Interest Rate - 1 Year MCLR + 3.5% p.a. (variable)		
Interest Rate is 11.70% p.a. from 01-Apr-2019 to 23-Sep-2019 and wef. 24-Sep-2019 it was 12.50% p.a. (Previous year as on 31.03.2019 11.70%)		
Secured by way of		
First charge by way of hypothecation of book debts		
Pledge of shares by promoters to the extent of 30% of the equity.		
Counter Guarantee by the executive directors of the Company		
Total	5,86,06,793	5,94,34,514

Note 8 - Other Current Liabilities

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of long-term debt - Federal Bank	2,27,85,185	2,27,85,185
(b) Interest accrued and not due on borrowings	4,73,278	-
(c) Income billed in Advance	3,09,35,985	2,79,88,310
(d) Other Payables		
- Unreconciled Credits	16,639	6,800
- Statutory Dues	65,51,740	40,77,669
- Amounts Payable to staff against Expenses incurred	1,895	56,878
- Salaries, Wages & Bonus Payable	3,38,35,276	4,52,80,898
- Contribution to PF / ESIC / MLWF Payable	9,49,827	8,69,775
Total	9,55,49,825	10,10,65,515

Note 9 - Short Term Provisions

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
(a) Provision for employee benefits		
- Incentives	5,18,28,827	5,24,05,803
- Gratuity	48,44,447	46,62,622
- Leave Encashment	17,83,491	14,49,819
(b) Others		
Provision for Expenses Payable		
- Audit Fees	10,42,200	9,80,325
- Consultancy Charges	50,95,746	10,85,499
- Others	77,56,002	34,86,700
Provision for Taxes	6,00,34,789	6,00,34,789
Total	13,23,85,502	12,41,05,557

Notes to the Standalone Financial Statement

for the year ended 31 March, 2020

Note 10 – Property, Plant and Equipment

Particulars	Gross Block					Accumulated Depreciation and Impairment				Net Block	
	Balance as at 1 April 2019	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance As at 31 March 2020	Balance as at 1 April 2019	Depreciation charge at 31 March 2020	Adjustment due to revaluations / Impairment	On disposals	Balance As at 31 March 2019	Balance As at 31 March 2020
a. Tangible Assets											
Leasehold											
Buildings	10,70,93,510	-	-	-	10,70,93,510	1,25,95,157	19,47,156	-	-	9,44,98,353	9,25,51,197
Freehold											
Plant and Equipment	5,54,24,829	18,42,849	-	-	5,70,73,128	5,22,00,099	18,22,697	-	1,94,550	32,24,730	32,44,882
Furniture and Fixtures	32,09,854	1,12,500	-	-	33,22,354	25,79,396	3,12,298	-	-	6,30,458	4,30,660
Office equipment	47,33,280	(1,94,550)	-	-	47,33,280	47,29,751	1,517	-	-	3,529	2,012
Total	17,04,61,473	17,60,799	-	-	17,22,22,272	72,10,04,403	40,83,668	-	1,94,550	9,83,57,070	9,62,28,751
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	1,51,29,682	1,57,700	-	-	1,52,87,382	1,35,76,081	7,57,123	-	-	15,53,601	9,54,178
Software developed in-house	46,00,46,300	-	-	-	46,00,46,300	23,42,79,323	5,68,05,540	-	-	22,57,66,977	16,89,61,437
Total	47,62,76,432	1,57,700	-	-	47,64,34,132	24,89,55,854	5,75,62,663	-	-	22,73,20,578	16,99,15,615
c. Capital Work in Progress											
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
d. Intangible assets under Development											
Intangible assets under Development	-	32,95,420	-	-	32,95,420	-	-	-	-	-	32,95,420
Total	64,67,37,905	52,13,919	-	-	65,19,51,824	32,10,60,257	6,16,46,331	-	1,94,550	32,56,77,648	26,94,39,786

Notes to the Standalone Financial Statement

for the year ended 31 March, 2020

Note 11 – Non-Current Investments

A Other Investments (Refer B below)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Investment Properties	-	-
(b) Investment in Equity instruments – Singapore	1,11,95,389	1,11,95,389
(c) Investment in Equity instruments – US	1,45,39,880	59,61,180
(d) Investment in Equity instruments – Italy	15,25,200	15,25,200
(e) Investment in Equity instruments – India	7,60,000	-
Total (A)	2,80,20,469	1,86,81,769
Less : Provision for diminution in the value of Investments	9,35,931	9,35,931
Total	2,70,84,538	1,77,45,838

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)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	Investment in Equity Instruments											
	IRIS Business Services, LLC	Subsidiary										
	IRIS Business Services (Asia) Pte. Ltd.	Subsidiary	2,99,900	2,99,900	Unquoted	Fully Paid	100	100	1,45,39,880	59,61,180	Yes	N.A.
	Atanou S.r.l.	Subsidiary			Unquoted	Fully Paid	98	98	1,11,95,389	1,11,95,389	Yes	N.A.
	IRIS Logix Solutions Private Ltd	Subsidiary	76,000	-	Unquoted	Fully Paid	100	100	15,25,200	15,25,200	Yes	N.A.
							76	-	7,60,000	-	Yes	N.A.
Total			2,80,20,469								1,86,81,769	

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 12 - Long Term Loans and Advances

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits		
Secured, considered good	-	-
Unsecured, considered good	33,02,579	4,74,410
Total	33,02,579	4,74,410

Note 13 - Other Non-Current Assets

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Term Deposits with remaining maturity exceeding 12 months	-	9,87,020
Total	-	9,87,020

Note 14 - Trade Receivables

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	9,90,20,306	8,16,99,838
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	9,90,20,306	8,16,99,838
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	6,51,40,789	3,69,86,085
Unsecured, considered doubtful	5,77,905	25,01,636
Less: Provision for doubtful debts	(5,77,905)	(25,01,636)
	6,51,40,789	3,69,86,085
Total	16,41,61,095	11,86,85,923

Trade Receivable stated above include debts due by:

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Partnership of Director	65,96,266	1,21,04,978
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	12,10,991	12,10,991
Total	78,07,257	1,33,15,969

*Either severally or jointly

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 15 - Cash & Bank Balance

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
1. Cash & Bank Balance		
a. Balances with banks	8,25,047	1,91,74,686
b. Cash on hand	25,912	10,092
c. Term Deposits with Original Maturity less than or equal to 3 months	28,24,320	40,10,096
2. Other Bank Balances		
a. Term Deposits with remaining maturity of 12 months or less	94,30,668	3,46,05,686
Total	1,31,05,947	5,78,00,560

Note 16 - Short-Term Loans and Advances

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Others		
Secured, considered good	-	-
Unsecured, considered good		
Prepaid Expenses	86,74,708	84,94,195
Loans to Staff	2,18,736	1,25,331
Advances to Staff	7,001	1,45,664
Total	89,00,445	87,65,190

Note 16(a) - Loans and Advances to Related Parties

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Private Company in which director is a member*	-	-
Total	-	-

*Either severally or jointly

Note 17 - Other Current Assets

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Interest Accrued on Fixed Deposits	4,46,281	4,63,021
Taxes on Income	9,84,79,432	8,58,97,490
GST Refund	1,86,097	1,86,097
GST Input Credit	7,10,738	21,30,058
Unbilled Revenue (net)	6,25,11,448	2,78,77,487
Other Current Assets	16,13,550	10,50,999
Total	16,39,47,546	11,76,05,152

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 18 - Revenue from Operations

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products	11,76,56,052	10,27,22,769
XBRL Related Projects & Services	34,45,23,589	27,14,26,142
myiris.com, Content and Technology Services	2,66,43,110	2,47,95,222
Total	48,88,22,751	39,89,44,133

Note 19 - Other Income

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income	13,18,797	51,42,458
Net exchanges gain	31,31,741	38,74,077
Reversal of Provision no longer required	9,60,274	-
Other non-operating income (net of expenses directly attributable to such income)	1,85,237	5,14,812
Total	55,96,049	95,31,347

Note 20 - Employee Benefits Expense

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	24,49,92,049	21,89,65,175
Contribution to provident and other funds	1,44,43,999	1,00,10,941
Staff welfare expenses	30,11,269	17,77,649
Employee stock option expenses	91,424	16,46,028
Total	26,25,38,741	23,23,99,793

Note 21 - Finance Cost

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense	1,34,71,419	1,44,57,888
Bank charges/ commission	19,49,903	14,70,165
Total	1,54,21,322	1,59,28,053

Note 22 - Depreciation and Amortisation Expenses

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation and amortisation	6,16,46,331	4,08,47,659
Total	6,16,46,331	4,08,47,659

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 23(a) - Other Expenses (I)

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Legal, Professional and Consultancy Fees	1,12,96,405	1,30,64,259
Directors' Sitting Fees	6,85,000	6,10,000
Travelling and Conveyance	50,88,165	53,35,685
STPI / Non-STPI - Annual Service Charges	2,50,000	2,25,000
Commission / Brokerage Charges	15,16,450	14,45,339
Postage, Telephone & Communication Charges	12,45,231	12,14,997
Advertisement Expenses	4,75,804	1,37,084
Printing & Stationery	3,36,393	3,17,752
Business Promotion Expenses	10,90,153	12,32,358
Foreign Travel Expenses	2,32,87,097	2,43,05,722
Payment to Subsidiaries	38,26,696	2,59,32,301
Donation	61,001	3,00,000
Partner Fees	3,28,88,517	2,46,35,493
Software Development Expenses	48,15,750	46,26,000
Conference Expenses	1,86,593	5,38,934
Data Sourcing Expenses	4,05,829	5,93,919
Internet Co-Location Charges	82,16,369	83,84,978
Membership Fees	3,68,026	4,89,574
Registry Maintenance Expenses	74,905	95,514
Forward Cover losses	1,23,400	-
Office Maintenance Expenses	27,82,920	25,33,501
Repairs & Maintenance Expenses	1,97,546	3,58,421
Staff Recruitment Charges	6,43,970	2,63,944
Kuwait Retention Expenses	1,85,492	12,56,849
Software License & Hardware Fees	1,56,57,634	1,24,35,221
Bad debts written off	12,41,992	23,83,847
Sundry Balance Written-Off	66,98,603	1,86,50,888
Provision for Doubtful Debts and Others	-	20,23,645
Listing Expenses	5,20,136	6,25,561
Loss on Disposals of Property, plant and equipment	-	27,426
Total	12,41,66,077	15,40,44,212

Note 23(b) - Other Expenses (II)

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Payment to auditors as		
Auditor	8,50,000	7,08,250
For taxation matters	2,42,000	2,50,000
For other services	66,000	65,000
Reimbursement of expenses	23,950	31,480
Total	11,81,950	10,54,730

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 23(c) - Other Expenses (III)

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Prior year Adjustments (Net) Expense / (Income)	2,22,452	2,69,374
Total	2,22,452	2,69,374

Note 23(d) - Other Expenses (IV)

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Electricity & Water Charges	53,05,567	46,17,413
(b) Rent	37,72,136	27,96,764
(c) Repairs to machinery	7,29,332	7,72,720
(d) Insurance	7,50,292	8,54,404
(e) Rates and taxes, excluding, taxes on income	9,49,788	8,78,314
(f) Miscellaneous expenses	18,35,732	7,91,073
Total	1,33,42,847	1,07,10,688
Note 23(a+b+c+d)	13,89,13,326	16,60,79,004

Note 24 - Contingent Liabilities and Commitments

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt	1,74,400	-
Disputed EPFO demand		
- Relating to May-2005 to May-2007 and pending before Honorable High Court of Bombay		
(b) Guarantees	2,26,27,414	2,51,25,522
(c) Revenue Commitment	8,00,000	-
Total	2,36,01,814	2,51,25,522

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, 2020	As at March 31, 2019
Deferred tax assets in respect of:		
Provision for Gratuity & Leave Encashment	96,48,360	66,75,717
Provision for Bad Debts	1,50,255	6,50,425
Provision for Bonus	1,34,75,495	1,36,25,509
Total	2,32,74,110	2,09,51,651
Deferred tax liabilities in respect of:		
Depreciation	2,91,08,273	2,63,53,527
Total	2,91,08,273	2,63,53,527
Net Deferred Tax Asset / Liability	58,34,163	54,01,876
Deferred tax expenses (Net)	4,32,287	47,25,927

Minimum Alternative Tax (MAT) Credit

In accordance with accounting policy of the Company, MAT credit balance not recognised as an assets as at 31.03.2020 is ₹ 3,75,54,770/- (As at 31.03.2019 is ₹ 3,75,54,770/-).

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 26 - Operating Leases

The Company had entered into leave & license arrangement for one of its office premises for a period of 60 months. This lease term expired on April 30,2018 and the same is not renewed. However, with the permission of landlord, the Company is continuing the use of the said premises till the time landlord allows with the same rentals as were applicable at the time of expiry of the earlier agreement.

Further, the Company had entered into an another leave & license arrangement for one of its office premises for a period of 36 months from November 15, 2019. However, the Company has given termination notice to the landlord with 3 months notice starting May 01, 2020.

The total future minimum lease payments under the leave & license arrangements classified as operating lease for each of the periods is given below:

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
In less than a year	8,00,000	NIL
In 1 year to 5 years	NIL	NIL
In greater than 5 years	NIL	NIL

Note 27 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount remaining unpaid to any supplier as at the end of the accounting year	26,66,303	27,86,336

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 28.1 - Employee Benefit

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

Defined benefit plan (Gratuity) - As per the independent actuarial valuation carried out as at March 31, 2020 (Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
(A) Change in Present Value of Obligation		
Defined Benefit Obligation, Beginning of Period	2,71,53,000	2,27,98,049
Service Cost	37,56,939	30,52,282
Interest Cost	19,83,822	16,24,044
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	38,98,621	4,97,199
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefit paid directly by the Company	(8,14,711)	(8,18,574)
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	3,59,77,671	2,71,53,000

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 28.1 - Employee Benefit (contd.)

Particulars	Amount in ₹	
	As at March 31, 2020	As at March 31, 2019
(B) Change in Fair Value of plan assets		
Fair value of Plan Assets, Beginning of Period	53,08,667	43,18,733
Expected Return on Plan Assets	3,94,434	3,25,201
Actual Company Contributions	7,074	17,55,872
Actual Plan Participants' Contributions	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	(1,52,455)	(2,72,565)
Benefits Paid by the insurer	(8,14,711)	(8,18,574)
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
Fair value of Plan Assets, End of Period	47,43,009	53,08,667
(C) Amount recognised in the Balance Sheet		
Defined Benefit Obligation	3,59,77,671	2,71,53,000
Fair value of Plan Assets	47,43,009	53,08,667
Funded Status - (Surplus)/Deficit	3,12,34,662	2,18,44,333
Past Service Cost not yet Recognised	-	-
Unrecognised Asset due to Limit in Para 58(B)	-	-
(Asset)/Liability Recognised in the Balance Sheet	3,12,34,662	2,18,44,333
(D) Net Gratuity Cost		
Service Cost	37,56,939	30,52,282
Interest Cost	19,83,822	16,24,044
Expected Return on Plan Assets	(3,94,434)	(3,25,201)
Past Service Cost	-	-
Net Actuarial Losses/(Gains) Recognised during the period	40,51,076	7,69,764
(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"	93,97,403	51,20,889
Assumptions used in accounting for gratuity costs		
Date of Valuation		
Discount Rate	6.67%	7.43%
Salary Escalation Rate	8.00%	7.00%
Expected Rate of Return on Assets	6.67%	7.43%
Demographic Assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/ Withdrawal Rate	15.00%	18.00%
Retirement Age	60 years	60 years

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 28.2 - Provision for Leave Encashment

Accounting Standard 15 (Revised 2005) Disclosures

Particulars	Amount in ₹	
	As at March 31, 2020	As at March 31, 2019
Amounts Recognised in Statement of Profit & Loss at Period-End		
Service Cost	6,31,033	4,63,385
Interest Cost	2,54,493	1,64,068
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Net Actuarial Losses/(Gains) Recognised during the period	11,54,287	6,28,449
(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"	20,39,813	12,55,902
Change in Defined Benefit Obligation during the Period		
Defined Benefit Obligation, Beginning of Period	38,34,602	25,78,700
Service Cost	6,31,033	4,63,385
Interest Cost	2,54,493	1,64,068
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	11,54,287	6,28,449
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	58,74,415	38,34,602
Reconciliation of Amounts recognised in Balance Sheet		
Balance Sheet (Asset)/Liability, Beginning of Period	38,34,602	25,78,700
Total Expense/(Income) Recognised in Profit & Loss	20,39,813	12,55,902
Acquisition/Business Combination/Divestiture	-	-
Benefit Payouts	-	-
Balance Sheet (Asset)/Liability, End of Period	58,74,415	38,34,602
Assumptions used in accounting for leave encashment		
Date of Valuation		
Discount Rate	6.67%	7.43%
Salary Escalation Rate	8.00%	7.00%
Expected Rate of Return on Assets	NA	NA
Demographic Assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/ Withdrawal Rate#	15.00%	18.00%
Retirement Age	60 years	60 years
Leave Availment Ratio	10%	10%

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 29 - Employee Stock Option Scheme

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

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 2020 (Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
No. of Options Outstanding at the beginning of the year	5,52,000	7,00,000
Options Granted during the year	-	-
Options Forfeited / Cancelled / Surrendered during the year	5,000	1,48,000
Options Lapsed during the year	-	-
Number of options Outstanding at the end of the year	5,47,000	5,52,000

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, 2020	As at March 31, 2019
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.

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

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 INR 32.00.

Time to Maturity / Expected Life of options

The expected life of an option will be in-between the minimum period before which the options cannot be exercised and the period after which the options cannot be exercised.

The fair value of each award has been determined based on different expected lives of the options that vest each year, as if the award were several separate awards, each with a different vesting date. A weighted average of all the vests has been calculated to arrive at the value of the options granted.

The time to maturity has been estimated as illustrated by the following example. In case of the grant made on 11 October 2017, the earliest date of vesting is one year from the date of grant that is 11 October 2018. Hence, the minimum life of the option is 1 year. The exercise period is Five years from the date of vest as per the ESOP scheme; hence the maximum life of this vest is 6 years. The expected life is the average of minimum and maximum life, i.e. 3.5 years $[(1 + 6)/2]$. The time to maturity for the remaining vests has been calculated in a similar manner.

Dividend Yield

Expected dividend yield has been taken as “NIL” since the Company has not declared any dividend in the past.

Note 30 - Segment Reporting

The Company has identified business segments (Nature of revenue stream) as its primary segment and geographic segments as its secondary segment. Business segments comprise of Collect Segment (Regulatory platform), Create Segment (Enterprise Platform) and Consume Segment (Data Consumption Platform and Content Services).

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to a specific segment have been allocated on the basis of associated manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. 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	As at March 31, 2020	As at March 31, 2019
1. Segment Revenue		
(a) Segment – Collect	27,90,99,506	20,57,65,809
(b) Segment – Create	17,90,08,261	16,83,83,102
(c) Segment – Consume	3,07,14,984	2,47,95,222
(d) Unallocated	-	-
Less: Inter Segment Revenue	-	-
Net sales/Income From Operations	48,88,22,751	39,89,44,133

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 30 - Segment Reporting (contd.)

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)		
(a) Segment – Collect	9,44,94,350	2,15,03,766
(b) Segment – Create	(34,44,740)	(1,64,33,799)
(c) Segment – Consume	(36,78,926)	(46,04,632)
(d) Unallocated	55,96,049	95,31,347
Total	9,29,66,733	99,96,682
Less: i) Interest	1,54,21,322	1,59,28,053
ii) Depreciation & Amortisation	6,16,46,331	4,08,47,659
iii) Other non-cash un-allocable expenses	-	-
iv) Other Un-allocable Expenditure net off Un-allocable income	-	-
Total Profit Before Tax	1,58,99,080	(4,67,79,030)
3. Segment Assets		
(a) Segment – Collect	11,24,90,183	8,20,70,790
(b) Segment – Create	8,50,68,933	9,34,55,936
(c) Segment – Consume	13,94,36,736	16,89,26,174
(d) Unallocated	31,29,46,084	30,32,88,741
Total assets	64,99,41,936	64,77,41,641
4. Segment Liabilities		
(a) Segment – Collect	66,40,118	1,30,31,813
(b) Segment – Create	46,18,628	46,72,900
(c) Segment – Consume	24,17,743	37,76,520
(d) Unallocated	35,86,75,210	36,38,45,807
Total liabilities	37,23,51,699	38,53,27,040
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	-	-
(c) Segment – Consume	-	17,71,93,270
(d) Unallocated	54,08,469	13,26,471
Total	54,08,469	17,85,19,741

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Revenues by Geography:

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Geography		
Asia Pacific	2,63,19,388	5,05,02,177
India	20,87,90,666	13,50,09,193
Europe	4,77,12,911	3,46,35,676
Middle East	12,39,69,951	10,08,19,182
Africa	8,19,94,942	6,94,96,688
America	34,893	84,81,217
Total	48,88,22,751	39,89,44,133

Segment assets by Geography:

India	64,99,41,936	64,77,41,641
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Capital assets acquired during the period by Geography:

India	54,08,469	17,85,19,741
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Note 31 - Earnings Per Share

The EPS computed in accordance with the Accounting Standard 20 on 'Earnings per Share' issued by the Institute of Chartered Accountants of India is as under:

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Net Profit for the Year	1,50,84,880	(5,42,30,870)
Weighted Average No. of Shares - Basic	1,88,79,162	1,88,79,162
Weighted Average No. of Shares - Diluted	1,88,79,162	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	0.80	(2.87)
EPS - Diluted	0.80	(2.87)
Nominal value of each Equity Share	10.00	10.00

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 32 - Additional Information to the Financial Statements

Related Party Transactions

a. Subsidiary companies

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

b. Key managerial personnel (KMP), including KMP under Companies Act, 2013

1. S. Swaminathan, Whole Time Director and Chief Executive Officer
2. Deepta Rangarajan, Whole Time Director
3. K. Balachandran, Whole Time Director and Chief Financial Officer
4. Jay Mistry, Company Secretary and Compliance Officer

c. Relatives of Key managerial personnel (KMP)

1. Deepta Rangarajan, Spouse of Mr. S. Swaminathan
2. N Subramaniam, Father of Mr. S. Swaminathan
3. Sivakamu Subramaniam, Mother of Mr. S. Swaminathan
4. S. Chandrasekhar, Brother of Mr. S. Swaminathan
5. S. Swaminathan, Spouse of Ms. Deepta Rangarajan
6. Santhanakrishnan Rangarajan, Father of Ms. Deepta Rangarajan
7. Shanti Rangarajan, Mother of Ms. Deepta Rangarajan
8. Rajlaxmi Nambiar, Spouse of Mr. K. Balachandran
9. Sharanya Balachandran, Daughter of Mr. K. Balachandran
10. Shyama Balachandran, Daughter of Mr. K. Balachandran
11. Vijayalakshmi Nambiar, Mother of Mr. K. Balachandran

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

1. FinX Solutions (UAE)
2. IRIS Knowledge Foundation

e. Independent Directors

1. Bhaswar Mukherjee, Non-Executive Independent Director
2. Vinod Balmukand Agarwala, Non-Executive Independent Director
3. Ashok Venkatramani, Non-Executive Independent Director

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 32 - Transactions and Balances With Related Parties

(Amount in ₹)

Particulars	Relationship with Related Party	Transactions during 2019-20	Outstanding as at 31.03.2020	Transactions during 2018-19	Outstanding as at 31.03.2019
Services Rendered					
IRIS Business Services (Asia) Pte. Ltd.	Subsidiary	1,08,52,209	27,21,318	-	-
FinX Solutions	An entity in which one of the Promoter Director is the managing partner	-	65,96,266	64,13,619	1,21,04,978
IRIS Knowledge Foundation	Promoter Directors are common Directors	-	12,10,991	1,80,000	12,10,991
TVS Electronics Limited*	One of the Independent Director is a Director	-	-	4,20,000	-
Services Availed					
IRIS Business Services, LLC	Subsidiary	-	22,30,392	1,13,97,147	20,46,525
IRIS Business Services (Asia) Pte. Ltd.	Subsidiary	38,26,696	-	1,67,91,139	-
CSR Contribution					
IRIS Knowledge Foundation	Promoter Directors are common Directors	50,000	-	3,00,000	-
Investments					
Atanou S.r.l.	Subsidiary	-	15,25,200	8,13,200	15,25,200
IRIS Business Services, LLC	Subsidiary	85,78,700	1,45,39,880	52,58,205	59,61,180
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	-	-
Remuneration					
S. Swaminathan	Promoter Director	30,00,000	1,01,46,854	30,00,000	78,73,974
Deepta Rangarajan	Promoter Director	30,00,000	27,63,507	30,00,000	24,86,930
K. Balachandran	Promoter Director	30,00,000	30,23,693	30,00,000	27,17,390
Jay Mistry	Company Secretary	12,32,581	98,430	11,93,335	88,418
Reimbursement of Expenses					
S. Swaminathan	Promoter Director	19,14,442	-	22,60,868	-
Deepta Rangarajan	Promoter Director	5,67,275	-	12,16,344	-
K. Balachandran	Promoter Director	17,00,500	-	2,01,929	-
Jay Mistry	Company Secretary	7,031	-	18,302	-
Receivables Against Expenses Incurred on Behalf of Subsidiaries					
IRIS Business Services (Asia) Pte. Ltd.		-	36,49,315	-	21,22,225
Sitting Fees					
Ashok Venkatramani		1,95,000	-	1,80,000	-
Bhaswar Mukherjee		2,70,000	-	2,00,000	-
Narayan Seshadri*		-	-	40,000	-
Vinod Balmukand Agarwala		2,20,000	-	2,25,000	-

* One of the Independent director who had resigned from the Board with effect from 2nd March 2019.

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 33 - Details of Movement in Provisions and contingent liabilities, in terms of Accounting Standard 29 is as under:

(Amount in ₹)				
Particulars	Opening Balance as on 01/04/2019	Additions during the year	Reversal/ adjustments	Closing Balance as on 31/03/2020
Nature of Provision				
Provision for Income Tax	6,00,34,789	-	-	6,00,34,789
Provision for Deferred Tax (Asset)/ Liability	54,01,876	4,32,287	-	58,34,163
Provision for Gratuity	2,18,41,231	93,93,431	-	3,12,34,662
Provision for leave encashment	38,34,602	20,39,813	-	58,74,415
Provisions in respect of Employee Benefits	5,24,05,803	1,15,024	6,92,000	5,18,28,827
Provision for Bad & Doubtful Debts	25,01,636	9,15,466	28,39,197	5,77,905
Provision for Other Expenses Payable	55,52,524	1,53,06,784	69,88,761	1,38,70,547
Provision for Security Deposit	8,50,000	-	8,50,000	-
Provision for Forward Cover Payable	-	23,400	-	23,400
Movements in Contingent Liabilities				
Contingent Liabilities	2,51,25,522	9,74,400	24,98,108	2,36,01,814

Note 34 - Expenditure and Earnings in Foreign Currency (Amount in ₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Expenditure in Foreign Currency on Account of		
Professional/ Consultation Fees	73,08,611	47,65,531
Foreign Travel	1,38,20,194	1,61,54,974
Business Promotion/ Conference Expenses	66,847	5,14,979
Sales and Marketing Expenses	39,34,252	2,59,32,301
Software License Fees	65,00,826	43,72,874
Membership, Subscription Fees	8,11,625	8,10,260
Commission Paid	12,31,950	6,71,174
Kuwait Retention Expenses	1,85,492	12,56,849
Other Expenses	8,66,300	-
Earnings in foreign exchange:		
Export of Services	28,00,01,237	26,38,82,387
Less: Withholding tax Thereon	(45,96,292)	(54,58,425)
Net Earnings	27,54,04,945	25,84,23,962
Withholding tax - previous years	(16,25,138)	(25,58,187)
Royalty	30,848	52,553
Less: Withholding tax Thereon	(8,773)	(13,692)
Net Earnings	22,075	38,861

Note 35 - Note on activities of Subsidiary “IRIS Business Services, LLC”

As at 31st March 2020, IRIS Business Services, LLC total liabilities exceeded its total assets by USD, 78,325.46 (₹ 59,04,635). 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.

Notes to the Standalone Financial Statement for the year ended 31 March, 2020

Note 36 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 37 The COVID-19 pandemic is still unfolding and while it is challenging to predict the full economic fall out of the contagion, we have undertaken an assessment to understand the impact on our business.

Our current view is that our business should be largely unaffected if the lockdown conditions recede over the next three to four months in the overseas markets. In a worst-case scenario, in which lockdown and travel restrictions exist across the world for a longer period, we could see a slowdown in acquisition of new business from the regulatory segment which can adversely impact our FY2021 revenues. Our business from the ‘Create’ segment is driven by regulatory mandates related to electronic reporting. Indications from the market are that the expected roll outs of mandates in our important markets would not be delayed materially. The execution cycle of a small number of our implementations has been delayed due to the initial lockdown imposition with a concomitant effect on the receivables position. However, indications are that things are now coming back to normalcy. On the other hand, 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 could see some reduction in our travel and overhead costs as a proportion to revenues. We are continually monitoring the situation and will underatke periodic reviews.

Note 38 Previous year’s figures have been regrouped wherever necessary.

As per our Report of even date attached

For **M. P. Chitale & Co.**

Chartered Accountants

FRN: 101851W

Santosh More

Partner

Membership No. 114236

Place : Mumbai

Date : June 29, 2020

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

Deeptha 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

We have audited the accompanying consolidated financial statements of IRIS BUSINESS SERVICES LIMITED (hereinafter referred to as the “Holding Company”) and its subsidiaries listed in annexure I (Holding Company and its subsidiaries together referred to as “the Group”), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss, and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the 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 state of affairs of the Company as at March 31, 2020, of consolidated profit and its consolidated cash flows for the year then ended.

Basis for Opinion

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 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, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters (“KAM”) are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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. We have determined the matters described below to be the KAM 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	<p><u>Impairment of Intangibles :</u></p> <p>As per the Accounting standard 28, the Group is required to annually test the carrying amount of assets for impairment. The total assets of the Group are Rupees 63,24,60,157/- and the carrying value of Intangible assets is Rupees 16,99,15,615/- which is material amount.</p> <p>The management’s assessment process is complex and highly judgmental and is based on assumptions, specifically about the number of potential customers for the products of the Group, the cost that the Group is required to spent to upkeep the product, the geography that the product will cater, etc., which are affected by expected future market or economic conditions worldwide.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following :</p> <ul style="list-style-type: none">• Evaluating the design of internal controls relating to recording the cost of capitalisation of intangibles, selecting an asset and testing the same for impairment and its application.• Selecting a sample of intangible asset which are capitalised till date and inspection of evidences and the process followed for its capitalisation and impairment testing and of performance of these controls, tested the operating effectiveness of the internal controls relating to the same.• Follow the principal laid down in the Accounting Standard 28 for impairment testing as a substantive process.• Obtaining an understanding about the future projections prepared by the management, assumptions used for the same and the discounting rate used. Comparing the pricing used in the projections with the existing contracts.

Other Information

The Holding Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the standalone and consolidated financial statements and our auditors’ report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor’s Responsibilities for the Audit of the consolidated financial statements

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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, 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 ability of the Group and its associates and jointly controlled entities 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 consolidated 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, its associate and jointly controlled entities 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Other Matters

- We did not audit the financial statement of one foreign subsidiary Company, whose financial statement reflect total assets of Rupees 2,04,51,476/- as at March 31, 2020 and total revenues of Rupees 2,86,12,138/-, cash flows of Rupees 13,13,987/- and net profit of Rupees 18,67,825/- for the year ended on that date, as considered in the consolidated financial statements. The said financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.
- We did not audit the financial statements of two foreign subsidiary companies, whose financial statements reflect total assets of Rupees 64,88,149/- as at March 31, 2020 and total revenues of Rupees 71,65,168/-, cash flows of Rupees 5,71,237/- and net loss of Rupees 1,20,25,604/- 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 opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is

not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- 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;
- in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act;
- on the basis of written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

- 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;
- 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:
 - There were no pending litigations which would impact the consolidated financial position of the Group.
 - The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

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

Santosh More
Partner
 Place: Mumbai
 Date: June 29, 2020
 Membership number: 114236

Annexure I

Name of Subsidiary	Country	% of holding	Year ended on
IRIS Business Services, LLC	USA	100.00	31/03/20
IRIS Business Services (Asia) Pte. Ltd.	Singapore	98.36	31/03/20
Atanou S.r.l.	Italy	100.00	31/03/20
IRIS Logix Solutions Private Limited	India	76.00	31/03/20

“Annexure A” to the Independent Auditor’s Report

“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of IRIS BUSINESS SERVICES LIMITED

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

We have audited the internal financial controls over financial reporting of the Parent as of March 31, 2020 in conjunction with our audit of the Consolidated Financial Statements of the Parent for the year ended on that date. Our reporting on the Internal Financial Controls in the case of consolidated financial statements, is applicable only to the Parent, which has been audited by us.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Parent’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely

detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Parent has, in all material respects, an adequate internal financial controls system over

financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Santosh More
Partner
Place: Mumbai
Date: June 29, 2020
Membership number: 114236



Consolidated Balance Sheet as at 31 March, 2020

(Amount in ₹)			
Particulars	Note No	As at 31 March, 2020	As at 31 March, 2019
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	18,87,91,620	18,87,91,620
(b) Reserves and surplus	4	5,75,03,265	5,28,34,288
2. Minority Interest		1,71,290	-
3. Share application money pending allotment		-	-
4. Non-current liabilities			
(a) Long-term borrowings	5	2,89,07,460	4,59,96,349
(b) Deferred tax liabilities (Net)		58,34,163	54,01,876
(c) Long-term provisions	6	3,04,81,139	1,95,63,392
5. Current liabilities			
(a) Short-term borrowings	7	5,86,06,793	5,94,34,514
(b) Trade payables			
i) total outstanding dues of micro enterprises and small enterprises; and		26,71,023	27,86,336
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,02,01,300	2,83,43,480
(c) Other current liabilities	8	10,61,91,150	10,52,29,820
(d) Short-term provisions	9	13,31,00,954	12,52,84,297
TOTAL		63,24,60,157	63,36,65,972
II. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	10		
(i) Tangible assets		9,62,28,896	9,83,57,215
(ii) Intangible assets		16,99,15,615	22,73,20,578
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		32,95,420	-
(b) Long-term loans and advances	11	33,02,579	4,74,410
(c) Other non-current assets	12	-	9,87,020
2. Current assets			
(a) Trade receivables	13	17,48,37,846	11,86,85,923
(b) Cash and Bank Balance	14	1,68,53,340	5,87,31,199
(c) Short-term loans and advances	15	93,06,853	87,65,190
(d) Other current assets	16	15,87,19,608	12,03,44,437
TOTAL		63,24,60,157	63,36,65,972

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

As per our Report of even date attached

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

Santosh More
Partner
Membership No. 114236

Place : Mumbai
Date : June 29, 2020

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 31 March, 2020

(Amount in ₹)			
Particulars	Note No.	Year ended 31 March, 2020	Year ended 31 March, 2019
I. Revenue from operations	17	50,99,76,517	39,89,44,133
II. Other income	18	57,61,423	1,07,02,198
III. Total Revenue (I + II)		51,57,37,940	40,96,46,331
IV. Expenses:			
Employee benefits expense	19	28,37,70,686	25,35,04,062
Finance costs	20	1,55,11,600	1,60,31,983
Depreciation and amortisation expense	21	6,16,46,331	4,08,60,489
Other expenses	22	14,93,74,715	15,28,36,484
Total expenses		51,03,03,331	46,32,33,018
V. Profit from ordinary activities before exceptional and extraordinary items and tax (III-IV)		54,34,609	(5,35,86,687)
VI. Exceptional expenses / (incomes)		-	-
VII. Profit from ordinary activities before extraordinary items and tax (V - VI)		54,34,609	(5,35,86,687)
VIII. Extraordinary Items		-	-
IX. Profit from ordinary activities before tax (VII- VIII)		54,34,609	(5,35,86,687)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		4,32,287	47,25,927
(3) Tax expense / (income) for earlier years		3,81,913	27,25,914
XI. Profit (Loss) for the period from continuing operations (IX-X)		46,20,409	(6,10,38,528)
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)		46,20,409	(6,10,38,528)
XVI. Profit (Loss) attributable to minority interest		(42,976)	23,357
XVII. Profit (Loss) attributable to parent		46,63,385	(6,10,61,885)
XVIII. Earnings per equity share:			
(1) Basic		0.25	(3.23)
(2) Diluted		0.25	(3.23)

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

As per our Report of even date attached

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

Santosh More
Partner
Membership No. 114236

Place : Mumbai
Date : June 29, 2020

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 31 March, 2020

Particulars	(Amount in ₹)	
	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	54,34,609	(5,35,86,687)
Adjustments for :		
Depreciation and amortisation	6,16,46,331	4,08,60,489
Write-off of withholding tax	62,30,203	1,71,70,767
Loss on sales of assets	-	27,426
Expense on employee stock option scheme	91,424	16,46,028
Interest expenses	1,34,71,419	1,44,57,888
Profit on sale / discarding of office equipment	-	(50,476)
Interest income	(13,18,797)	(51,42,458)
Other non-cash adjustment	(1,11,566)	(67,946)
Total	8,00,09,014	6,89,01,718
Operating Cash Profit before Working Capital Changes	8,54,43,623	1,53,15,031
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Sundry Debtors	(5,61,51,923)	1,47,85,928
(Increase) / Decrease in Short Term Loans & advances and Deposits	2,46,33,355	(59,68,209)
(Increase) / Decrease in Other Current Assets	(2,58,09,969)	99,41,867
(Increase) / Decrease in Long Term Loans and advances	(28,28,169)	-
(Increase) / Decrease in Other Non - Current Assets	9,87,020	57,89,774
(Decrease) / Increase in Trade Payables	(82,57,494)	(1,17,03,986)
(Decrease) / Increase in Other Current Liabilities	4,88,052	61,38,662
Increase / (Decrease) in Balance of cash credit facilities	(8,27,721)	(81,70,949)
(Decrease) / Increase in Long term Provisions	1,09,17,747	52,81,521
(Decrease) / Increase in Short term Provisions	78,16,657	(1,28,08,517)
Total	(4,90,32,445)	32,86,091
Taxes Paid	(1,91,94,058)	(1,03,81,528)
Net Cash Inflow / (Outflow) in course of Operating Activities (A)	1,72,17,121	82,19,594
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment (including capital advances)	(21,13,049)	(13,26,471)
In-house Software Products Capitalisation	(32,95,420)	(39,00,730)
Interest Income Received	13,35,537	50,68,249
Sales / Scrap Value of Property, plant and equipment	-	50,476
Net Cash Inflow / (Outflow) in the course of Investing Activities (B)	(40,72,932)	(1,08,476)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Fresh Loan /(Repayment) of term loans during the year (net)	(1,70,88,889)	(2,27,85,185)
Interest paid on Term Loans	(1,29,98,141)	(1,44,57,888)
Capital contribution from Minority interest holder	2,40,000	-
Net cash flow used in financing activities (C)	(2,98,47,030)	(3,72,43,073)
Net increase / (decrease) in Cash and cash equivalents (A + B + C)	(1,67,02,841)	(2,91,31,955)
Add: Balance of Cash/Cash Equivalents at the beginning of the year	2,41,25,513	5,32,57,468
Cash/Cash Equivalents at the close of the year	74,22,672	2,41,25,513
Cash equivalents as at the end of the year	1,68,53,340	5,87,31,199
Less: Term Deposits not considered as cash & cash equivalents as per AS-3	(94,30,668)	(3,46,05,686)
Cash/Cash Equivalents at the close of the year	74,22,672	2,41,25,513

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

As per our Report of even date attached

For **M. P. Chitale & Co.**

Chartered Accountants

FRN: 101851W

Santosh More

Partner

Membership No. 114236

Place : Mumbai

Date : June 29, 2020

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

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

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 June 29, 2020.

Name of Subsidiary	Country	% of holding	Year ended on
IRIS Business Services, LLC	USA	100.00	31/03/20
IRIS Business Services (Asia) Pte. Ltd.	Singapore	98.36	31/03/20
Atanou S.r.l.	Italy	100.00	31/03/20
IRIS Logix Solutions Private Limited	India	76.00	31/03/20

2 Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

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

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

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

2.2 Principles of Consolidation

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date, on which investment in the subsidiary is made, is recognised as 'Goodwill (on consolidation)'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve (on consolidation)' in the consolidated financial statements. However, since all investments in subsidiary companies were made at the time of its formation, there is no Goodwill or Capital Reserve in the present consolidated financial statements.

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

- 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 during the financial year 2018-19, 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 Statement for the year ended 31 March, 2020

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.

2.6 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.

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 Lives (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 Property, plant and equipment is not in line with the policy followed by the Holding Company.

Property, plant and equipment	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 Property, plant and equipment held by IRIS Business Services (Asia) Pte. Ltd. and the depreciation thereon, the Company is of the view that there are no material differences to the overall consolidated financial statement due to this different depreciation policy followed by the subsidiary.

2.7 Impairments

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. Recoverable amount is higher of an asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent carrying amount exceeds recoverable amount. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or many 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 Statement for the year ended 31 March, 2020

2.9 Provisions and Contingent Liabilities

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

2.10 Miscellaneous Expenditure Including Share Issue Expenses

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

2.11 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 Statement of Profit & Loss.

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 Statement of Profit & Loss.

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.

2.12 Prepaid Expenses

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

2.13 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 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.

2.14 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.

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

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 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.

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

2.18 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 Accounting for Employee Stock Options

Stock options granted to employees of IRIS Business Services Limited and its subsidiaries under the stock option schemes approved by the shareholders of the Company on September 13, 2017 are accounted as per the treatment prescribed by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accounts of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The fair value of the option being stock option granted for purchase could be exchanged between knowledgeable, willing parties in an arm's length transaction is recognised as deferred employee compensation with a credit to share options outstanding account. The Expense on deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to Expense on Employee Stock Option Scheme, equal to the amortised portion of value of lapsed portion and a debit to share options outstanding account equal to the un-amortised portion.

2.20 Cash and Bank Balance

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less.

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Note 3 - Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	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	1,88,79,162	18,87,91,620	1,88,79,162	18,87,91,620
Subscribed & Paid up				
Equity Shares of ₹ 10/- each fully paid	1,88,79,162	18,87,91,620	1,88,79,162	18,87,91,620
Total	1,88,79,162	18,87,91,620	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, 2020		As at March 31, 2019	
	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	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,88,79,162	18,87,91,620	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, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
S Swaminathan	47,72,168	25.28	48,72,168	25.81
Vistra ITCL India Limited (Trustee for Shubkam Growth Fund I)	39,07,598	20.70	39,07,598	20.70
Deepta Rangarajan	14,46,052	7.66	14,46,052	7.66
K Balachandran	11,04,000	5.85	11,04,000	5.85
Madhuri Kela	10,72,000	5.68	10,72,000	5.68
Total	1,23,01,818		1,24,01,818	

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, 2020	As at March 31, 2019
Number of shares to be issued under the Employee Stock Option Plans	5,47,000	5,52,000

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

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

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)				
	2019-20	2018-19	2017-18	2016-17	2015-16
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	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
a. Securities Premium		
Opening Balance	11,08,26,740	11,08,26,740
Add : Securities premium credited on share issue	-	-
Less : Premium Utilised for various reasons		
For Issuing Bonus Shares	-	-
Closing Balance	11,08,26,740	11,08,26,740
b. Share Options Outstanding Account		
Opening Balance	38,62,248	22,16,220
Add: Amounts recorded on grants/modifications/cancellations during the year	91,424	16,46,028
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	39,53,672	38,62,248
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	(17,55,597)	(16,38,985)
e. Minority Interest	-	(30,780)
f. Surplus		
Opening balance	(6,06,59,935)	4,01,950
(+) Net Profit/(Net Loss) For the current year	46,63,385	(6,10,61,885)
Closing Balance	(5,59,96,550)	(6,06,59,935)
Total	5,75,03,265	5,28,34,288

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Note 5 - Long Term Borrowings

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Secured		
(a) Term loans		
# from Federal Bank	5,16,92,645	6,87,81,534
(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		
Collateral:		
> Pledge of shares by promoters to the extent of 30% of the equity.		
> This loan is guaranteed by executive directors of the Company		
> Exclusive charge by way of assignment of entire cash flows of the Company as an additional security		
Amount disclosed under the head Other Current Liabilities See Note No. 8 (a)*	(2,27,85,185)	(2,27,85,185)
Total	2,89,07,460	4,59,96,349

* Based on the RBI circular RBI/201920/186 DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 and vide its letter dated 11th May 2020 Ref no. CIB/VG/IBSL/TL-MT/2019, the Bank has granted one-time moratorium for the installment and interest due in the months of March, April and May 2020. Subsequently RBI has announced that even June, July and August 2020 Installments are deferred and hence we do not expect the bank will demand these deferred EMIs along with other regular EMIs in next 12 months and we believe that we will be paying 4 quarterly EMIs in the next 12 months.

Note 6 - Long-Term Provisions

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Gratuity	2,63,90,215	1,71,78,609
- Leave Encashment	40,90,924	23,84,783
Total	3,04,81,139	1,95,63,392

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Note 7 - Short Term Borrowings

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
Secured		
(a) Loans repayable on demand		
from banks		
Cash Credit facility from Federal bank	5,86,06,793	5,94,34,514
Limit renewed to ₹ 6,00,00,000 on 24th Sept 2019		
Interest Rate - 1 Year MCLR + 3.5% p.a. (variable)		
Interest Rate is 11.70% p.a. from 01-Apr-2019 to 23-Sep-2019 and wef. 24-Sep-2019 it was 12.50% p.a. (Previous year as on 31.03.2019 11.70%)		
Secured by way of		
First charge by way of hypothecation of book debts		
Pledge of shares by promoters to the extent of 30% of the equity.		
Counter Guarantee by the executive directors of the Company		
Total	5,86,06,793	5,94,34,514

Note 8 - Other Current Liabilities

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of long-term debt - Federal Bank	2,27,85,185	2,27,85,185
(b) Interest accrued and not due on borrowings	4,73,278	-
(c) Income billed in Advance	3,10,44,705	2,79,88,310
(c) Other Payables		
- Unreconciled Credits	16,639	6,800
- Statutory Dues	65,76,617	40,77,669
- Amounts Payable to staff against Expenses incurred	96,87,566	34,82,061
- Salaries, Wages & Bonus Payable	3,46,54,308	4,60,20,020
- Contribution to PF / ESIC / MLWF Payable	9,49,827	8,69,775
- Others	3,025	-
Total	10,61,91,150	10,52,29,820

Note 9 - Short Term Provisions

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
(a) Provision for employee benefits		
- Incentives	5,18,28,827	5,24,05,803
- Gratuity	48,44,447	46,62,622
- Leave Encashment	17,83,491	14,49,819
(b) Others		
Provision for Expenses Payable		
- Audit Fees	10,78,200	9,80,325
- Consultancy Charges	55,59,599	18,69,906
- Others	79,71,601	38,81,033
Provision for Taxes	6,00,34,789	6,00,34,789
Total	13,31,00,954	12,52,84,297

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Note 10 - Property, Plant and Equipment

Particulars	(Amount in ₹)									
	Gross Block			Accumulated Depreciation and Impairment			Net Block			
	Balance as at 1 April 2019	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance As at 31 March 2020	Balance as at 1 April 2019	Depreciation charge at 31 March 2020	Adjustment due to revaluations/ Impairment	On disposals	Balance As at 31 March 2020
a. Tangible Assets										
Leasehold										
Buildings	10,70,93,510	-	-	-	10,70,93,510	1,25,95,157	19,47,156	-	-	9,44,98,353
Freehold										
Plant and Equipment	5,60,57,566	18,42,849	-	-	5,77,05,865	5,28,32,788	18,22,697	-	1,94,550	32,24,778
Furniture and Fixtures	38,18,916	1,12,500	-	-	39,31,416	31,88,410	3,12,298	-	-	6,30,506
Office equipment	50,77,144	-	-	-	50,77,144	50,73,566	1,517	-	-	3,577
Total	17,20,47,136	17,60,799	-	-	17,38,07,935	7,36,89,921	40,83,668	-	1,94,550	9,83,57,215
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	1,51,29,682	1,57,700	-	-	1,52,87,382	1,35,76,081	7,57,123	-	-	15,53,601
Software developed in- house	46,00,46,300	-	-	-	46,00,46,300	23,42,79,323	5,68,05,540	-	-	22,57,66,977
Total	47,62,76,432	1,57,700	-	-	47,64,34,132	24,89,55,854	5,75,62,663	-	-	22,73,20,578
c. Capital Work In Progress										
Total	-	-	-	-	-	-	-	-	-	-
d. Intangible assets under Development										
Total	64,83,23,568	52,13,919	-	-	65,35,37,487	32,26,45,775	6,16,46,331	-	1,94,550	32,56,77,793
										26,94,39,931

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Note 11 - Long Term Loans and Advances

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits		
Secured, considered good	-	-
Unsecured, considered good	33,02,579	4,74,410
Total	33,02,579	4,74,410

Note 12 - Other Non-Current Assets

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Term Deposits with remaining maturity exceeding 12 months	-	9,87,020
Total	-	9,87,020

Note 13 - Trade Receivables

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	10,96,97,058	8,16,99,838
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	10,96,97,058	8,16,99,838
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	6,51,40,788	3,69,86,085
Unsecured, considered doubtful	5,77,905	25,01,636
Less: Provision for doubtful debts	(5,77,905)	(25,01,636)
	6,51,40,788	3,69,86,085
Total	17,48,37,846	11,86,85,923

Trade Receivable stated above include debts due by:

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Partnership of Director	65,96,266	1,21,04,978
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	12,10,991	12,10,991
Total	78,07,257	1,33,15,969

*Either severally or jointly

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Note 14 - Cash & Bank Balance

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
1. Cash & Bank Balance		
a. Balances with banks	45,72,440	2,01,05,325
b. Cash on hand	25,912	10,092
c. Term Deposits with Original Maturity less than or equal to 3 months	28,24,320	40,10,096
2. Other Bank Balances		
a. Term Deposits with remaining maturity of 12 months or less	94,30,668	3,46,05,686
Total	1,68,53,340	5,87,31,199

Note 15 - Short-Term Loans and Advances

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Others		
Secured, considered good	-	-
Unsecured, considered good		
Prepaid Expenses	90,81,116	84,94,195
Loans to Staff	2,18,736	1,25,331
Advances to Staff	7,001	1,45,664
Total	93,06,853	87,65,190

Note 15(a) - Loans and Advances to Related Parties

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Private Company in which director is a member*	-	-
Total	-	-

*Either severally or jointly

Note 16 - Other Current Assets

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Interest Accrued on Fixed Deposits	4,46,281	4,63,021
Taxes on Income	9,84,79,432	8,58,97,490
GST Refund	1,86,097	1,86,097
GST Input Credit	7,19,903	21,30,058
Unbilled Revenue (net)	5,50,19,759	2,78,77,487
Other Current Assets	38,68,136	37,90,284
Total	15,87,19,608	12,03,44,437

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Note 17 - Revenue from Operations

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products	12,48,76,585	10,27,22,769
XBRL Related Projects & Services	35,84,56,822	27,14,26,142
myiris.com, Content and Technology Services	2,66,43,110	2,47,95,222
Total	50,99,76,517	39,89,44,133

Note 18 - Other Income

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income	13,18,797	51,42,458
Net exchanges gain	31,31,741	38,74,077
Reversal of Provision no longer required	9,60,274	-
Other non-operating income (net of expenses directly attributable to such income)	3,50,611	16,85,663
Total	57,61,423	1,07,02,198

Note 19 - Employee Benefits Expense

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	26,62,14,844	24,00,18,076
Contribution to provident and other funds	1,44,43,999	1,00,10,941
Staff welfare expenses	30,20,419	18,29,017
Employee stock option expenses	91,424	16,46,028
Total	28,37,70,686	25,35,04,062

Note 20 - Finance Cost

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense	1,34,71,419	1,44,57,888
Bank charges/ commission	20,40,181	15,74,095
Total	1,55,11,600	1,60,31,983

Note 21 - Depreciation and Amortisation Expenses

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation and amortisation	6,16,46,331	4,08,60,489
Total	6,16,46,331	4,08,60,489

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Note 22(a) - Other Expenses (I)

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Legal, Professional and Consultancy Fees	1,53,36,458	1,68,27,154
Directors' Sitting Fees	6,85,000	6,10,000
Travelling and Conveyance	50,96,777	53,99,448
STPI / Non-STPI - Annual Service Charges	2,50,000	2,25,000
Commission / Brokerage Charges	15,16,450	14,45,339
Postage, Telephone & Communication Charges	39,43,803	36,55,725
Advertisement Expenses	4,75,804	1,37,084
Printing & Stationery	3,44,025	3,19,512
Business Promotion Expenses	10,90,153	12,90,067
Foreign Travel Expenses	2,78,05,136	2,76,26,766
Donation	76,001	3,00,000
Partner Fees	3,28,88,517	2,46,35,493
Software Development Expenses	48,15,750	46,26,000
Conference Expenses	6,26,965	8,13,582
Data Sourcing Expenses	4,05,829	5,93,919
Internet Co-Location Charges	82,18,288	83,84,978
Membership Fees	7,47,904	12,03,117
Registry Maintenance Expenses	74,905	95,514
Forward Cover losses	1,23,400	-
Office Maintenance Expenses	29,82,362	25,33,501
Repairs & Maintenance Expenses	2,07,732	3,58,421
Staff Recruitment Charges	6,43,970	2,63,944
Kuwait Retention Expenses	1,85,492	12,56,849
Software License & Hardware Fees	1,56,57,634	1,24,35,220
Bad debts written off	12,41,992	23,83,847
Sundry Balance Written-Off	66,98,603	1,86,50,888
Provision for Doubtful Debts and Others	-	20,23,645
Listing Expenses	5,20,136	6,25,561
Loss on Disposals of Property, plant and equipment	-	27,426
Total	13,26,59,086	13,87,48,000

Note 22(b) - Other Expenses (II)

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Payment to auditors as		
Auditor	8,90,000	7,08,250
For taxation matters	2,42,000	2,50,000
For other services	66,000	65,000
Reimbursement of expenses	23,950	31,480
Total	12,21,950	10,54,730

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Note 22(c) - Other Expenses (III)

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Prior year Adjustments (Net) Expense / (Income)	2,22,452	2,69,374
Total	2,22,452	2,69,374

Note 22(d) - Other Expenses (IV)

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Electricity & Water Charges	53,05,567	46,17,413
(b) Rent	48,46,211	37,97,765
(c) Repairs to machinery	7,29,332	7,72,720
(d) Insurance	9,93,810	11,06,528
(e) Rates and taxes, excluding, taxes on income	10,12,772	8,78,314
(f) Miscellaneous expenses	23,83,535	15,91,640
Total	1,52,71,227	1,27,64,380
Note 22(a+b+c+d)	14,93,74,715	15,28,36,484

Note 23 - Contingent Liabilities and Commitments

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt	1,74,400	-
Disputed EPFO demand		
- Relating to May-2005 to May-2007 and pending before Honorable High Court of Bombay		
(b) Guarantees	2,26,27,414	2,51,25,522
(c) Revenue Commitment	8,00,000	-
Total	2,36,01,814	2,51,25,522

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, 2020	As at March 31, 2019
Deferred tax assets in respect of:		
Provision for Gratuity & Leave Encashment	96,48,360	66,75,717
Provision for Bad Debts	1,50,255	6,50,425
Provision for Bonus	1,34,75,495	1,36,25,509
Total	2,32,74,110	2,09,51,651
Deferred tax liabilities in respect of:		
Depreciation	2,91,08,273	2,63,53,527
Total	2,91,08,273	2,63,53,527
Net Deferred Tax Asset / Liability	58,34,163	54,01,876
Deferred tax expenses (Net)	4,32,287	47,25,927

Minimum Alternative Tax (MAT) Credit

In accordance with accounting policy of the Company, MAT credit balance not recognised as an assets as at 31.03.2020 is ₹ 3,75,54,770/- (As at 31.03.2019 is ₹ 3,75,54,770/-).

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Note 25 - Operating Leases

The Company had entered into leave & license arrangement for one of its office premises for a period of 60 months. This lease term expired on April 30,2018 and the same is not renewed. However, with the permission of landlord, the Company is continuing the use of the said premises till the time landlord allows with the same rentals as were applicable at the time of expiry of the earlier agreement.

Further, the Company had entered into an another leave & license arrangement for one of its office premises for a period of 36 months from November 15, 2019. However, the Company has given termination notice to the landlord with 3 months notice starting May 01, 2020.

The total future minimum lease payments under the leave & license arrangements classified as operating lease for each of the periods is given below:

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
In less than a year	8,00,000	NIL
In 1 year to 5 years	NIL	NIL
In greater than 5 years	NIL	NIL

Note 26 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount remaining unpaid to any supplier as at the end of the accounting year	26,71,023	27,86,336

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 27.1 - Employee Benefit

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

Defined benefit plan (Gratuity) - As per the independent actuarial valuation carried out as at March 31, 2020 (Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
(A) Change in Present Value of Obligation		
Defined Benefit Obligation, Beginning of Period	2,71,53,000	2,27,98,049
Service Cost	37,56,939	30,52,282
Interest Cost	19,83,822	16,24,044
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	38,98,621	4,97,199
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefit paid directly by the Company	(8,14,711)	(8,18,574)
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	3,59,77,671	2,71,53,000

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Note 27.1 - Employee Benefit (contd.)

Particulars	Amount in ₹	
	As at March 31, 2020	As at March 31, 2019
(B) Change in Fair Value of plan assets		
Fair value of Plan Assets, Beginning of Period	53,08,667	43,18,733
Expected Return on Plan Assets	3,94,434	3,25,201
Actual Company Contributions	7,074	17,55,872
Actual Plan Participants' Contributions	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	(1,52,455)	(2,72,565)
Benefits Paid by the insurer	(8,14,711)	(8,18,574)
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
Fair value of Plan Assets, End of Period	47,43,009	53,08,667
(C) Amount recognised in the Balance Sheet		
Defined Benefit Obligation	3,59,77,671	2,71,53,000
Fair value of Plan Assets	47,43,009	53,08,667
Funded Status - (Surplus)/Deficit	3,12,34,662	2,18,44,333
Past Service Cost not yet Recognised	-	-
Unrecognised Asset due to Limit in Para 58(B)	-	-
(Asset)/Liability Recognised in the Balance Sheet	3,12,34,662	2,18,44,333
(D) Net Gratuity Cost		
Service Cost	37,56,939	30,52,282
Interest Cost	19,83,822	16,24,044
Expected Return on Plan Assets	(3,94,434)	(3,25,201)
Past Service Cost	-	-
Net Actuarial Losses/(Gains) Recognised during the period	40,51,076	7,69,764
(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"	93,97,403	51,20,889
Assumptions used in accounting for gratuity costs		
Date of Valuation		
Discount Rate	6.67%	7.43%
Salary Escalation Rate	8.00%	7.00%
Expected Rate of Return on Assets	6.67%	7.43%
Demographic Assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/ Withdrawal Rate	15.00%	18.00%
Retirement Age	60 years	60 years

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Note 27.2 - Provision for Leave Encashment

Accounting Standard 15 (Revised 2005) Disclosures

Particulars	Amount in ₹	
	As at March 31, 2020	As at March 31, 2019
Amounts Recognised in Statement of Profit & Loss at Period-End		
Service Cost	6,31,033	4,63,385
Interest Cost	2,54,493	1,64,068
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Net Actuarial Losses/(Gains) Recognised during the period	11,54,287	6,28,449
(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"	20,39,813	12,55,902
Change in Defined Benefit Obligation during the Period		
Defined Benefit Obligation, Beginning of Period	38,34,602	25,78,700
Service Cost	6,31,033	4,63,385
Interest Cost	2,54,493	1,64,068
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	11,54,287	6,28,449
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	58,74,415	38,34,602
Reconciliation of Amounts recognised in Balance Sheet		
Balance Sheet (Asset)/Liability, Beginning of Period	38,34,602	25,78,700
Total Expense/(Income) Recognised in Profit & Loss	20,39,813	12,55,902
Acquisition/Business Combination/Divestiture	-	-
Benefit Payouts	-	-
Balance Sheet (Asset)/Liability, End of Period	58,74,415	38,34,602
Assumptions used in accounting for leave encashment		
Date of Valuation		
Discount Rate	6.67%	7.43%
Salary Escalation Rate	8.00%	7.00%
Expected Rate of Return on Assets	NA	NA
Demographic Assumptions		
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/ Withdrawal Rate#	15.00%	18.00%
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

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

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 2020 (Amount in ₹)		
Particulars	As at March 31, 2020	As at March 31, 2019
No. of Options Outstanding at the beginning of the year	5,52,000	7,00,000
Options Granted during the year	-	-
Options Forfeited / Cancelled / Surrendered during the year	5,000	1,48,000
Options Lapsed during the year	-	-
Number of options Outstanding at the end of the year	5,47,000	5,52,000

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, 2020	As at March 31, 2019
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

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

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 INR 32.00.

Time to Maturity / Expected Life of options

The expected life of an option will be in-between the minimum period before which the options cannot be exercised and the period after which the options cannot be exercised.

The fair value of each award has been determined based on different expected lives of the options that vest each year, as if the award were several separate awards, each with a different vesting date. A weighted average of all the vests has been calculated to arrive at the value of the options granted. The time to maturity has been estimated as illustrated by the following example. In case of the grant made on 11 October 2017, the earliest date of vesting is one year from the date of grant that is 11 October 2018. Hence, the minimum life of the option is 1 year. The exercise period is Five years from the date of vest as per the ESOP scheme; hence the maximum life of this vest is 6 years. The expected life is the average of minimum and maximum life, i.e. 3.5 years $[(1 + 6)/2]$. The time to maturity for the remaining vests has been calculated in a similar manner.

Dividend Yield

Expected dividend yield has been taken as "NIL" since the Company has not declared any dividend in the past.

Note 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, 2020	Year ended March 31, 2019
1. Segment Revenue		
(a) Segment – Collect	29,30,32,739	20,57,65,809
(b) Segment – Create	18,62,28,794	16,83,83,102
(c) Segment – Consume	3,07,14,984	2,47,95,222
(d) Unallocated	-	-
Less: Inter Segment Revenue	-	-
Net sales/Income From Operations	50,99,76,517	39,89,44,133
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)		
(a) Segment – Collect	9,63,62,175	1,97,77,425
(b) Segment – Create	(1,57,77,036)	(2,15,15,115)
(c) Segment – Consume	(36,78,926)	(46,04,632)
(d) Unallocated	55,96,050	95,31,347
Total	8,25,02,261	31,89,025
Less: i) Interest	1,54,21,322	1,59,28,053
ii) Depreciation & Amortisation	6,16,46,331	4,08,47,659
iii) Other non-cash un-allocable expenses	-	-
iv) Other Un-allocable Expenditure net off Un-allocable income	-	-
Total Profit Before Tax	54,34,609	(5,35,86,687)

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Note 29 - Segment Reporting (contd.)

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
3. Segment Assets		
(a) Segment – Collect	12,66,68,977	8,46,54,993
(b) Segment – Create	9,01,41,015	9,46,17,502
(c) Segment – Consume	13,94,36,736	16,89,26,174
(d) Unallocated	27,62,13,429	28,54,67,303
Total assets	63,24,60,157	63,36,65,972
4. Segment Liabilities	12,66,68,977	8,46,54,993
(a) Segment – Collect	86,41,814	1,53,70,755
(b) Segment – Create	1,62,59,215	90,46,214
(c) Segment – Consume	24,17,743	37,76,520
(d) Unallocated	35,88,46,500	36,38,46,575
Total liabilities	38,61,65,272	39,20,40,064
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	-	-
(c) Segment – Consume	-	17,71,93,270
(d) Unallocated	54,08,469	13,26,471
Total	54,08,469	17,85,19,741
(Amount in ₹)		
Revenues by Geography:		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Geography		
Asia Pacific	4,02,52,621	5,05,02,177
India	20,88,46,031	13,50,09,193
Europe	4,77,12,911	3,46,35,676
Middle East	12,39,69,951	10,08,19,182
Africa	8,19,94,942	6,94,96,688
America	72,00,061	84,81,217
Total	50,99,76,517	39,89,44,133
Segment assets by Geography:		
India	64,99,41,936	64,77,41,641
Capital assets acquired during the period by Geography:		
India	54,08,469	17,85,19,741

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

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:

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit for the Year	46,63,385	(6,10,61,885)
Weighted Average No. of Shares - Basic	1,88,79,162	1,88,79,162
Weighted Average No. of Shares - Diluted	1,88,79,162	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	0.25	(3.23)
EPS - Diluted	0.25	(3.23)
Nominal value of each Equity Share	10.00	10.00

Note 31 - Additional Information to the Financial Statements

Related Party Transactions

- 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
- Relatives of Key managerial personnel (KMP)**
 - Deepta Rangarajan, Spouse of Mr. S. Swaminathan
 - N Subramaniam, Father of Mr. S. Swaminathan
 - Sivakamu Subramaniam, Mother 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
- 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
- Independent Directors**
 - Bhaswar Mukherjee, Non-Executive Independent Director
 - Vinod Balmukand Agarwala, Non-Executive Independent Director
 - Ashok Venkatramani, Non-Executive Independent Director

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

Note 31 - Transactions and Balances With Related Parties

(Amount in ₹)

Particulars	Relationship with Related Party	Transactions during 2019-20	Outstanding as at 31.03.2020	Transactions during 2018-19	Outstanding as at 31.03.2019
Services Rendered					
FinX Solutions	An entity in which one of the Promoter Director is the managing partner	-	65,96,266	64,13,619	1,21,04,978
IRIS Knowledge Foundation	Promoter Directors are common Directors	-	12,10,991	1,80,000	12,10,991
TVS Electronics Limited*	One of the Independent Director is a Director	-	-	4,20,000	-
CSR Contribution					
IRIS Knowledge Foundation	Promoter Directors are common Directors	50,000	-	3,00,000	-
Remuneration					
S. Swaminathan	Promoter Director	30,00,000	1,01,46,854	30,00,000	78,73,974
Deeptha Rangarajan	Promoter Director	30,00,000	27,63,507	30,00,000	24,86,930
K. Balachandran	Promoter Director	30,00,000	30,23,693	30,00,000	27,17,390
Jay Mistry	Company Secretary	12,32,581	98,430	11,93,335	88,418
Reimbursement of Expenses					
S. Swaminathan	Promoter Director	19,14,442	-	22,60,868	-
Deeptha Rangarajan	Promoter Director	5,67,275	-	12,16,344	-
K. Balachandran	Promoter Director	17,00,500	-	2,01,929	-
Jay Mistry	Company Secretary	7,031	-	18,302	-
Sitting Fees					
Ashok Venkatramani		1,95,000	-	1,80,000	-
Bhaswar Mukherjee		2,70,000	-	2,00,000	-
Narayan Seshadri*		-	-	40,000	-
Vinod Balmukund Agarwala		2,20,000	-	2,25,000	-

* One of the Independent director who had resigned from the Board with effect from 2nd March 2019.

Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

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 01/04/2019	Additions during the year	Reversal/ adjustments	Closing Balance as on 31/03/2020
Nature of Provision				
Provision for Income Tax	6,00,34,789	-	-	6,00,34,789
Provision for Deferred Tax (Asset)/ Liability	54,01,876	4,32,287	-	58,34,163
Provision for Gratuity	2,18,41,231	93,93,431	-	3,12,34,662
Provision for leave encashment	38,34,602	20,39,813	-	58,74,415
Provisions in respect of Employee Benefits	5,24,05,803	1,15,024	6,92,000	5,18,28,827
Provision for Bad & Doubtful Debts	25,01,636	9,15,466	28,39,197	5,77,905
Provision for Other Expenses Payable	67,31,264	1,53,06,784	74,52,049	1,45,86,000
Provision for Security Deposit	8,50,000	-	8,50,000	-
Provision for Forward Cover Payable		23,400		23,400
Movements in Contingent Liabilities				
Contingent Liabilities	2,51,25,522	9,74,400	24,98,108	2,36,01,814

Note 33 - Note on activities of Subsidiary "IRIS Business Services, LLC"

As at 31st March 2020, "IRIS Business Services, LLC", total liabilities exceeded its total assets by USD, 78,325.46 (₹ 59,04,635). 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.

Note 34 - Additional information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiaries and Associate

Particulars	Net Assets		Share in Profit / (Loss)	
	As a % of consolidated net assets	₹	As a % of consolidated Profit/(Loss)	₹
Parent				
IRIS Business Services Limited	112.71%	27,75,90,237	323.47%	1,50,84,880
Subsidiaries				
IRIS Logix Solutions Private Limited	0.28%	6,93,307	-6.58%	(3,06,693)
IRIS Business Services, LLC	-2.34%	(57,58,880)	-257.11%	(1,19,90,225)
Atanou S.r.l.	0.33%	8,00,755	-0.76%	(35,379)
IRIS Business Services (Asia) Pte. Ltd.	0.82%	20,08,938	40.05%	18,67,825
Minority interest in subsidiaries	-0.07%	(1,71,290)	0.92%	42,976
Sub Total	111.72%	27,51,63,067	100.00%	46,63,385
Less: Effect of intercompany adjustments / eliminations	11.72%	2,88,68,181	0.00%	-
Total	100.00%	24,62,94,885	100.00%	46,63,385



Notes to the Consolidated Financial Statement for the year ended 31 March, 2020

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 COVID-19 pandemic is still unfolding and while it is challenging to predict the full economic fall out of the contagion, we have undertaken an assessment to understand the impact on our business.

Our current view is that our business should be largely unaffected if the lockdown conditions recede over the next three to four months in the overseas markets. In a worst-case scenario, in which lockdown and travel restrictions exist across the world for a longer period, we could see a slowdown in acquisition of new business from the regulatory segment which can adversely impact our FY2021 revenues. Our business from the ‘Create’ segment is driven by regulatory mandates related to electronic reporting. Indications from the market are that the expected roll outs of mandates in our important markets would not be delayed materially. The execution cycle of a small number of our implementations has been delayed due to the initial lockdown imposition with a concomitant effect on the receivables position. However, indications are that things are now coming back to normalcy. On the other hand, 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 could see some reduction in our travel and overhead costs as a proportion to revenues. We are continually monitoring the situation and will underatke periodic reviews.

Note 37 Previous year’s figures have been regrouped wherever necessary.

As per our Report of even date attached

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

Santosh More
Partner
Membership No. 114236

Place : Mumbai
Date : June 29, 2020

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

Corporate Information

BOARD OF DIRECTORS

Vinod Agarwala
Independent Director (Chairman)

Bhaswar Mukherjee
Independent Director

Ashok Venkatramani
Independent Director

Swaminathan Subramaniam
Whole Time Director & CEO

Deepta Rangarajan
Whole Time Director

Balachandran Krishnan
Whole Time Director & CFO

COMPANY SECRETARY & COMPLIANCE OFFICER

Jay Mistry

CORPORATE IDENTITY NUMBER (CIN)

L72900MH2000PLC128943

REGISTERED OFFICE

IRIS Business Services Limited
T-231, Tower 2, 3rd Floor,
International Infotech Park,
Vashi Station, Vashi - 400 703,
Maharashtra, India
Tel. : +91 22 6723 1000
Fax: +91 22 2781 4434
E-mail: cs@irisbusiness.com
Website: www.irisbusiness.com

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
CIN: U67190MH1999PTC118368
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083
Tel: +91 22 49186000
Fax: +91 22 4918 6060
Email: mumbai@linkintime.co.in
Website: www.linkintime.co.in

STATUTORY AUDITORS

M/s. M. P. Chitale & Co., Chartered Accountants
Firm Registration No. 101851W

LEGAL ADVISORS

Chitale Legal, Mumbai
VBA Legal, Mumbai
Valsangkar & Associates, Patent Attorney, Pune

BANKERS

The Federal Bank Limited
HDFC Bank Limited
ICICI Bank Limited
State Bank of India



IRIS BUSINESS SERVICES LIMITED

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MAHARASHTRA
INDIA

#07-08, JIT POH BUILDING
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