



Building Transparency. Driving Growth.

# Shifting Gears

**IRIS Business Services Limited**

Annual Report 2023-24

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## Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Building Transparency. Driving Growth.

Our new logo was launched in 2021-22. It reflects our intention to innovate in an increasingly digital and connected world. It retains the familiarity of a brand that has withstood the test of time and grown across the years.



Online Annual report  
[www.irisbusiness.com](http://www.irisbusiness.com)

# Shifting Gears

IRIS Business Services Limited is at the cusp of a seminal development in the world of business reporting.

The Company's optimism is being derived from a growing need for enhanced transparency in an increasingly governance-driven world.

The Company is engaged in the development of regulatory reporting solutions and collaborative tools, empowering customers to enhance cost-effectiveness, convenience and credibility.

This governance-strengthening proposition has created an inflection point for the Company that promises sharper growth in influence, revenues, capital efficiency and stakeholder value.

The Company's positioning and preparedness are captured in two defining words.

***Shifting gears.***

## **IRIS** Business Services Limited.

**The** Company has been a pioneer in the development of products and solutions primarily addressing the increasingly complex world of regulatory reporting.

**It** is the only listed SaaS player in India's RegTech space.

**It** specialises in solutions centred around data standards that enhance transparency through clean, verifiable, consistent reporting and data sharing.

**It** excels in regulatory reporting, innovative solutions, and a closer customer engagement while delivering timely and relevant services.

**Its** products and services enhance reporting ease, moderating compliance costs and facilitating informed comparisons across peer companies.

**It** addresses a growing need in a world increasingly characterised by extensive compliance, broader reporting, and deepening disclosures.

**In** doing so, it is advancing the respect and trust of customers, helping create a responsible world.



## Track Record

Incorporated in 2000, IRIS Business Services Limited started operations in 2004, emerging as a global player in the regulatory technology space. The Company's offerings comprise compliance, data and analytics with products across the information supply chain and data reporting standards (XBRL and SDMX, among others). Across seven years, the Company has evolved from a service-focused business to a product-led model, enhancing revenue visibility.



## Promoters

IRIS is promoted by Mr. Swaminathan Subramaniam, Mr. Balachandran Krishnan and Ms. Deepta Rangarajan. The promoters started out with the objective to provide solutions for research and data challenges faced by institutional investors. The promoters now possess a cumulative experience of more than 60 person-years, having been together from the mid-nineties.



## Products and Services

IRIS entered business by providing XBRL-related services and consultancy to Indian and offshore clients. The Company's product offerings are now segregated across three segments - Collect, Create and Consume – that enhance customer clarity, selection and solution.



## Presence

Headquartered in Navi Mumbai, India, the international subsidiaries of IRIS comprise US, Singapore and Italy. IRIS conducts business in UK under the brand name of FinX Solutions®. The Company possesses a growing customer presence in 54 countries across five continents.



## Positioning

IRIS is not an IT services, KPO or BPO company. The Company's offerings comprise Software as a Service (SAAS), Data as a Services (DAAS) and software products.



## Business Health

The Company's order book as on March 31, 2024, stood at around ₹120 cr with an annual recurring revenue of ₹61.80 cr (₹55.42 cr in FY 2022-23). The Company's recurring revenues contributed 60% to the total revenue during the year under review (75% in FY 2022-23).



## Listing

The Company listed on November 08, 2021, on the main board of the National Stock Exchange and Bombay Stock Exchange on November 8, 2021. The Company's total market capitalisation was ₹222 cr as on March 31, 2024.



## Awards and Recognition



## Revenues

**102.96** **37**

₹ cr in FY 2023-24

%, growth in revenues in  
FY 2023-24

## Annual recurring revenue (ARR)

**61.80** **12**

₹ cr in FY 2023-24

% growth in ARR in  
FY 2023-24

## Return on Equity

**21.36** **13.55**

%, March 31, 2024

%, March 31, 2023

## Resource strength

**500+** **440+**

Talent count, March 31,  
2024Talent count, March 31,  
2023

## Market capitalisation

**222** **137**

₹ cr, March 31, 2024

₹ cr, March 31, 2023

## Promoter group's equity stake

**37.10** **37.82**

%, March 31, 2024

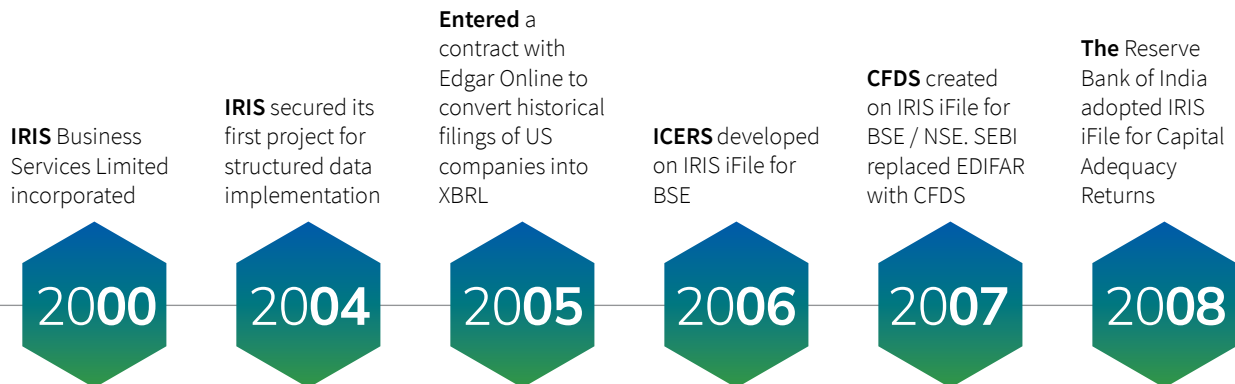
%, March 31, 2023

Revenue mix by geography (Quantum)  
(in ₹ Lakh)

Countries	FY 2023-24	FY 2022-23
India	2,902	2,776
Middle East	743	785
Asia-Pacific	1,207	826
Africa	3,084	963
USA	657	523
Europe	1,078	875
United Kingdom	559	609

Revenue mix by geography  
(%)

Countries	FY 2023-24	FY 2022-23
India	28	38
Middle East	7	11
Asia-Pacific	12	11
Africa	30	13
USA	6	7
Europe	11	12
United Kingdom	5	8



# How we have transformed across the years



**IRIS** iFile went live at MCI (Saudi Arabia), DBD (Thailand) and Bank of Mauritius. IRIS iDeal won its first international client in AfrAsia Bank. iDeal e-audit solution launched in Turkey.

2015

**CRILC** platform built for RBI, CRILC analytics solution launched for banks. IRIS iFile entered 3<sup>rd</sup> phase of implementation at RBI. FATCA reporting solution launched for the BFSI segment. CARBON gained customers in the US and Italy.

2016

**Company** listed on BSE-SME. SAI Portal, built by IRIS, inaugurated by the Vice President of India. Standardisation project implemented for ATS, Mumbai. IRIS iFile launched for SCM, Malaysia. IRIS selected as GSP. IRIS GST launched as ASP-GSP solution for Indian enterprises

2017

**IRIS** iFile implemented for CIPC South Africa and CBRD, Mauritius. Bagged projects for the Central Bank of Jordan and MCI, Qatar. IRIS CARBON launched for the South African market. E-Way Bill Application and IRIS Peridot launched in India

2018

**Implemented** IRIS iFile for QSE, Qatar. Entered the fourth phase with RBI - SDMX based CIMS project. IRIS CARBON entered Europe markets for the ESMA mandate. EasyWayBill launched for Indian transporters

2019

2020

**iFile** implemented for ASE and JSC, Jordan. IRIS CARBON gained early customers in Europe. Assurance tool for auditors introduced. IRIS GST e-Invoicing solution launched in India

2021

**Listed** on the main board of NSE and BSE. Awarded Best TaxTech by TIOL in the Silver category. IRIS iFile launched for NRB, Nepal. IRIS iDeal launched for the EU market. IRIS CARBON launched for FERC XBRL mandate. IRIS LMS launched for Indian enterprises

2022


**Awarded** Best TaxTech (Jury) by TIOL and Best Fintech by FE. CMA (FSA) Oman e-filing platform (based on IRIS iFile) launched. IRIS CARBON won its first sustainability report customer in inline XBRL (GAP Inc). Launch of Office 365-based disclosure management solution.

2023

**IRIS** iFile bagged projects for SARB (South Africa), Boursa (Kuwait), and RMA (Bhutan). IRIS received the 2023 APPEALIE SaaS + Software Award for ERP+Finance in the small business and mid-market segments

2024

**IRIS** receives Central Banking award for regulatory technology. Launched IRIS myeinvoice, an e-invoicing tool, in Malaysia

A stylized world map in shades of blue and teal. The United States and Argentina are highlighted in white. The background features faint, curved lines suggesting a globe or data flow.

#### Our footprint

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Our global footprint  
comprises prominent  
customers across the  
world

---

54

Countries

30+

XBRL projects

500+

Experts

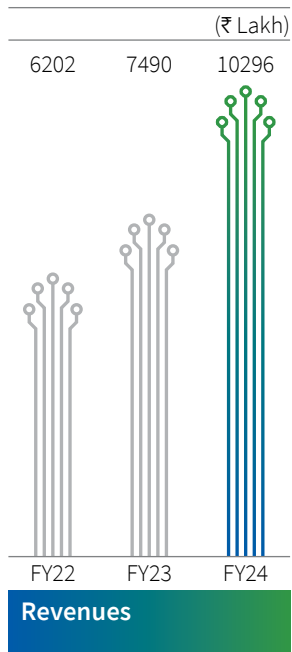
6,000+

Clients



- 
- |             |                  |              |               |                |                  |
|-------------|------------------|--------------|---------------|----------------|------------------|
| ▪ Argentina | ▪ Czech Republic | ▪ India      | ▪ Malaysia    | ▪ Philippines  | ▪ Thailand       |
| ▪ Austria   | ▪ Estonia        | ▪ Indonesia  | ▪ Malta       | ▪ Qatar        | ▪ Turkey         |
| ▪ Belgium   | ▪ Faroe Island   | ▪ Ireland    | ▪ Mauritius   | ▪ Romania      | ▪ UAE            |
| ▪ Bhutan    | ▪ Finland        | ▪ Italy      | ▪ Nepal       | ▪ Saudi Arabia | ▪ Ukraine        |
| ▪ Brazil    | ▪ France         | ▪ Jersey     | ▪ Netherlands | ▪ Singapore    | ▪ United Kingdom |
| ▪ Canada    | ▪ Germany        | ▪ Jordan     | ▪ Nigeria     | ▪ Slovakia     | ▪ United States  |
| ▪ Chile     | ▪ Ghana          | ▪ Kuwait     | ▪ Norway      | ▪ Slovenia     |                  |
| ▪ Croatia   | ▪ Greece         | ▪ Lithuania  | ▪ Oman        | ▪ South Africa |                  |
| ▪ Cyprus    | ▪ Hungary        | ▪ Luxembourg | ▪ Poland      | ▪ Spain        |                  |
|             |                  | ▪ Macedonia  | ▪ Portugal    | ▪ Sweden       |                  |

# How IRIS has grown attractively across the years



## Definition

Proceeds generated from the sale of products (net of taxes) in addition to treasury income, if any.

## Why is this measured?

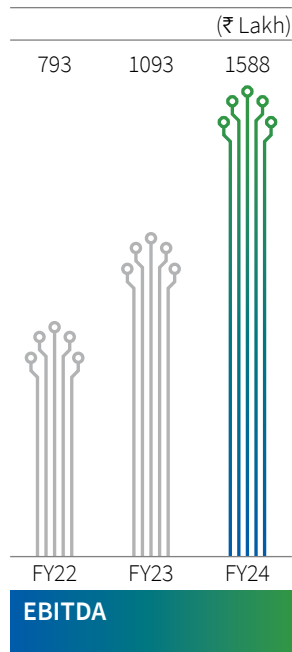
It is an index that showcases the Company's competitiveness in servicing customers with products; can also be used as an index to compare size with other companies

## What does it mean?

This indicates the capacity of the Company to carve out market presence cum share, a foundation on which to amortise focused costs

## Value impact

Aggregate sales increased from ₹7,490 Lakh in FY 2022-23 to ₹10,296 Lakh in FY 2023-24.



## Definition

Earnings before the deduction of interest, depreciation, extraordinary items and tax.

## Why is this measured?

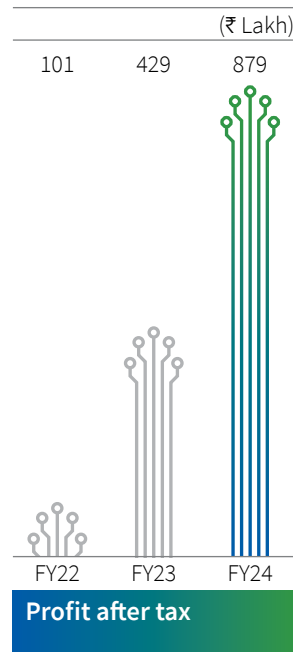
It is an index that showcases the Company's ability to generate a surplus following the expensing of operating costs.

## What does it mean?

Helps create a robust growth engine.

## Value impact

The Company's EBITDA increased from ₹1,093 Lakh in FY 2022-23 to ₹1,588 Lakh in FY 2023-24, aided by a good growth in the topline



## Definition

Profit earned during the year after deducting all expenses and provisions

## Why is this measured?

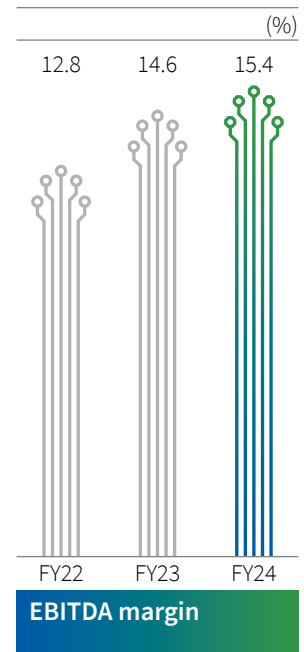
This measure highlights the strength of the business model in enhancing shareholder value

## What does it mean?

Ensures that adequate surplus is available for reinvestment.

## Value impact

The Company's PAT increased from ₹429 Lakh in FY 2022-23 to ₹879 Lakh in FY 2023-24.



## Definition

EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency.

## Why is this measured?

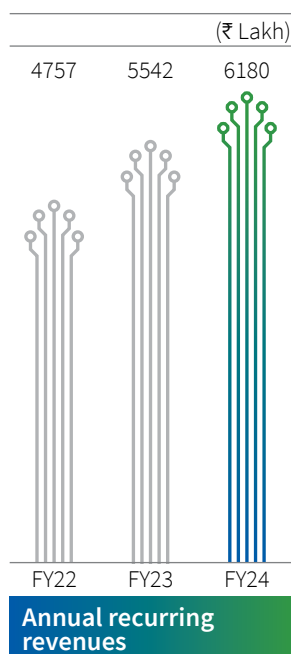
The EBITDA margin provides a perspective of how much a company earns (before deduction of interest, depreciation and taxes) on each rupee of sales.

## What does it mean?

This demonstrates adequate buffer in the business expressed as a percentage, which, when multiplied by scale, enhances surpluses.

## Value impact

The Company's EBITDA margin increased by 80 bps from 14.6% in FY 2022-23 to 15.4% in FY 2023-24.

**Definition**

It is a portion of the Company's revenues that is expected to sustain

**Why is this measured?**

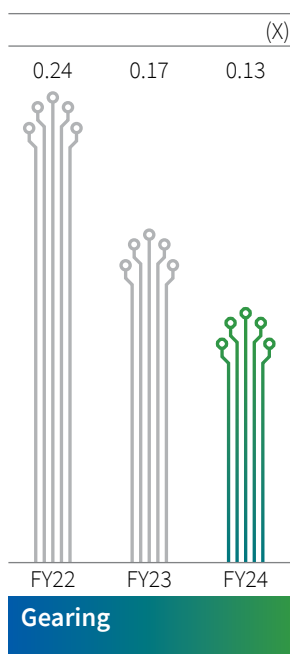
It enables a measurement of the Company's progress and is a reasonable estimate of prospective growth

**What does it mean?**

Enhanced ARR provides a better chance to attract investors as it is an indicator of sustainable business health.

**Value impact**

Recurring revenues increased 12% to ₹6,180 Lakh in FY 2023-24 compared to ₹5,542 Lakh in FY 2022-23. Recurring revenues contributed 60% to the total revenue in FY 2023-24 compared to 75% in FY 2022-23.

**Definition**

This is derived through the ratio of debt to net worth

**Why is this measured?**

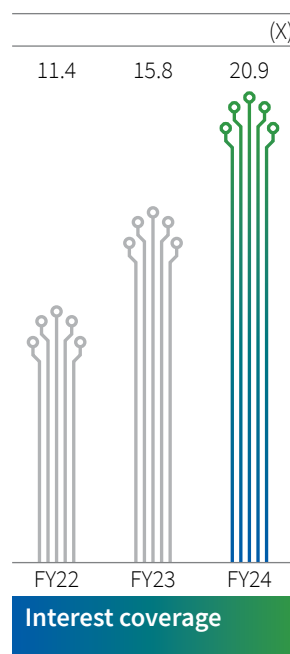
This is a defining ratio of a company's financial solvency

**What does it mean?**

This measure enhances a perception of the borrowing room within the Company; the lower the gearing, the better.

**Value impact**

The Company's gearing decreased marginally by 40 bps, a positive indicator.

**Definition**

This is derived through the division of EBITDA by interest outflow

**Why is this measured?**

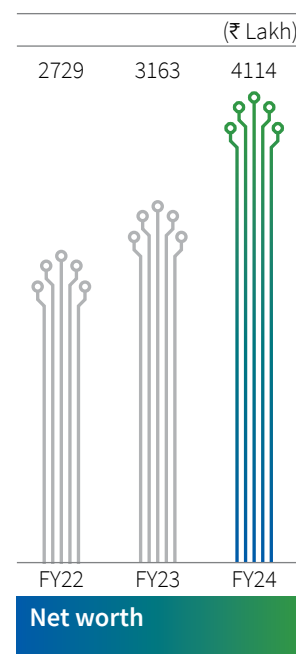
Interest cover indicates the Company's comfort in servicing interest – the higher the better.

**What does it mean?**

A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important factors in assuring sizeable returns to shareholders.

**Value impact**

The Company's interest cover strengthened by 510 bps during the year under review.

**Definition**

This is derived through the accretion of shareholder-owned funds

**Why is this measured?**

Net worth indicates the financial soundness of the Company – the higher the better.

**What does it mean?**

This indicates the extent of shareholder funds available within the Company to grow the business

**Value impact**

The Company's net worth strengthened by 30% to ₹41 cr during the year under review.

# Our respect-enhancing customers

## Business registries

- Accounting and Corporate Regulatory Authority (ACRA), Singapore
- Corporate and Business Registration Department (CBRD), Mauritius
- Companies and Intellectual Properties Commission (CIPC), South Africa
- Department of Business Development, Thailand
- Ministry of Commerce and Industry (MCI), Qatar
- Ministry of Commerce and Investment (MCI), Saudi Arabia
- Suruhanjaya Syarikat Malaysia (SSM), Malaysia

## Capital market regulators

- Amman Stock Exchange, Jordan
- Johannesburg Stock Exchange
- Boursa, Kuwait
- CMA, Kuwait
- ESCA, UAE
- SEBI
- Tadawul, Saudi Arabia
- Qatar Stock Exchange
- CMA (FSA), Oman
- Abu Dhabi Securities Exchange
- Dubai Financial Market
- SCM, Malaysia

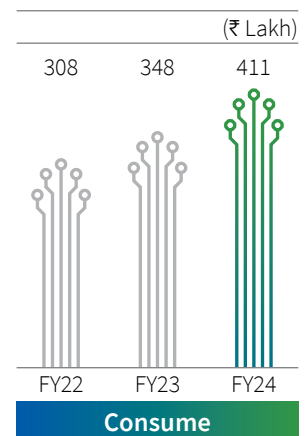
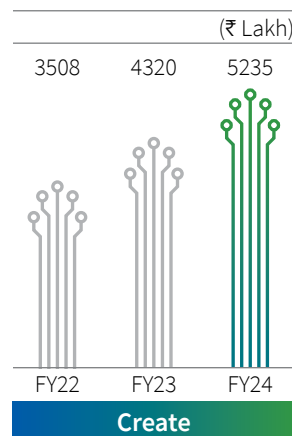
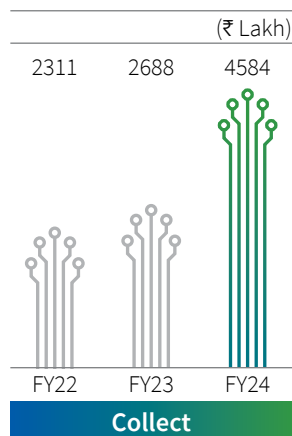
## BFSI regulators

- Reserve Bank of India
- Bank of Mauritius
- QFCRA, Qatar
- Central Bank of Jordan
- Nepal Rashtra Bank
- South African Reserve Bank (SARB)

## Filers / Others

- |   |  |   |   |   |
|---|--|---|---|---|
| <ul style="list-style-type: none"> <li>Aegon, UK</li> <li>Alfa Laval India Private Limited</li> <li>Bajaj Allianz General Insurance Company Limited</li> <li>Bajaj Finance Limited</li> <li>Bandhan Bank</li> <li>Bank of China</li> <li>Bank of India</li> <li>Bassein catholic Bank</li> <li>Bergen Bio SA, Norway</li> <li>Bidvest, South Africa</li> <li>Black Hills, US</li> </ul> | <ul style="list-style-type: none"> <li>BMW, South Africa</li> <li>Bpost, Belgium</li> <li>British American Tobacco, South Africa</li> <li>Collector AB, Sweden</li> <li>Colruyt Group, Belgium</li> <li>Dhanalakshmi Bank</li> <li>Digi Communications, Romania</li> <li>Doha Bank</li> <li>Eesti Energia AS, Estonia</li> <li>ENI spa, Italy</li> <li>Federal Bank</li> </ul> | <ul style="list-style-type: none"> <li>FINO Small Finance Bank</li> <li>Forbes Marshall Pvt Limited</li> <li>Friwo, Germany</li> <li>HDFC Bank, India</li> <li>Hellenic Bank, Cyprus</li> <li>Hitachi Astemo Brake systems India Private Limited</li> <li>ICICI Bank, India</li> <li>Industrial Bank of Korea</li> <li>Ipca Laboratories Limited</li> </ul> | <ul style="list-style-type: none"> <li>Karur Vysya Bank</li> <li>KBC Bank NV, Belgium</li> <li>Kinder Morgan Inc US</li> <li>Larsen &amp; Toubro, India</li> <li>LIC Housing Finance Limited</li> <li>Nordecon, Estonia</li> <li>NSDL Small Finance Bank</li> <li>Old Mutual Limited, South Africa</li> <li>PETROL, Slovenia</li> <li>Plains All America, US</li> <li>PVR INOX Limited</li> </ul> | <ul style="list-style-type: none"> <li>Reliance Industries Limited, India</li> <li>Society General</li> <li>South Indian Bank</li> <li>State Bank of Mauritius</li> <li>Sumitomo Chemical India Limited</li> <li>Tamilnad Mercantile Bank</li> <li>Thermax Limited</li> <li>Utkarsh Small Finance Bank</li> <li>VP Plc, UK</li> <li>Warwyck Private Bank</li> </ul> |
|---|--|---|---|---|

## Business segment revenues



# IRIS.

Right product.  
Right place.  
Right time.

India's only listed SaaS company in the RegTech space

## Overview

IRIS Business Services Limited has been one of the leading and pioneering organisations in the RegTech space as its products, ranging from XBRL reporting to disclosure management, have been ahead of the curve.

Two global trends are taking over the world.

One is governance, marked by a growing need for comprehensive disclosures, digitalised filings and higher reporting frequency. The second is the need to moderate filing and disclosure costs through smaller team sizes and enhanced functional simplicity.

This is where RegTech and Software as a Service (SaaS) are beginning to play a growing role.

These technological advancements are simplifying reporting and moderating compliance costs.

## Competitive position

IRIS is the only listed Indian company to have integrated RegTech and SaaS into its business model.

The Company reached an inflection point during the last financial year when it exceeded ₹100 cr in annual revenues for the first time, building a solid platform for further growth.

The Company seeks to sustain expansion across the world, widening its geographic footprint in a growing market.

CEO's Address



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# The coming of age of IRIS

**Swaminathan Subramanian**  
Chief Executive Officer

## 20 years.

A few weeks ago, we celebrated 20 years in business. It was an evening of fun and frolic for my colleagues and their families who turned up in full force. That evening, our clients, partners, friends and families of our colleagues hopefully got to know the Company a little better. For the founders, it was an evening of thanksgiving.

For, we had many to thank for where we are today.

## Our clients

The big lesson over the last 20 years is that the longevity of a company is determined not by how well it is funded or capitalised but the richness of the client base. It is our clients who kept us going and gave us a sense of purpose. It is their continued patronage that has brought us this far. Nearly all of our products have been developed in the market place with actively engaged clients. More than 50 of them were present at the celebrations, representing businesses big and small. Several of them had driven long distances to be with us that evening. They made the evening special.

## Our partners

In the absence of funding, our growth has been partner-led. Five of our overseas collaborators from countries as far separated as Kuwait and Brazil joined the celebrations online. They talked about the depth of our partnership and shared their vision for our future together. It was the first time for many of them to interact with the entire IRIS team. Their active participation helped ensure that the evening got off to an auspicious start.

## Our colleagues

Our colleagues are real heroes, every one of them. When we were starved for financial resources, they took salary cuts and accepted salary deferrals. IRIS has been built on the sacrifices of our colleagues. Not once did their enthusiasm for work flag. They knew the significance

of their work and its impact on the country and the world around us. We have a young team whose chests swell with pride when their parents tell their neighbors how the work of their kids helps RBI keep the banking system safe. It is easy to recruit people with skills but to find people with such great attitude is another thing altogether.

Many ex-colleagues were also present at the celebration in large numbers. As if to say that you can take them out of IRIS but cannot take IRIS out of them. Their contribution to laying the foundation of IRIS is no less.

## The families of our colleagues

We made it a point to thank the families of our colleagues without whose supporting environment at home, the task of our colleagues would have been so much more difficult. Husbands and wives, parents, all part of the extended family of IRIS, made adjustments at home that kept us going. Somebody would have given up the hope of a vacation, yet another would have had to postpone getting a car. For most families, this was their first time at an IRIS event. We tried to give them a sense of importance of what their son, daughter, husband or wife was doing at IRIS. The extended IRIS family turned out in full force that evening.

## Our Independent Directors

If today, we adhere to high standards of corporate governance, we have our independent directors to thank for it. If we had the fastest IPO ever in the history of Indian capital markets, a record that will probably never be beaten, credit goes to them. For our Independent Directors, all with successful careers, to have agreed to take on the responsibility of serving on the Board of a fledgling crisis-ridden company with an uncertain future is extraordinary. I will not be surprised if they had their moments of doubt from time to time. But they stood by us, resolute.

## Our investors

The 2010 investment by Subhkam Ventures helped us scale up our XBRL operations. By 2014 we realised the need to pivot to products and exit what was then a profitable services business. That was the beginning of the crisis, which would last until the IPO in 2017. It marked the beginning of our turnaround for which we have our IPO investors to thank. In the run up to the IPO, we were a highly leveraged company struggling to keep our head above water. Today we are a profitable zero net debt company with a bank credit line we probably could do without. In the seven years since our IPO, we have gone from strength to strength, putting our crisis-ridden days behind us.

If we had much to thank people for, we also had much to celebrate.

## We have survived and with purpose

A 2017 study<sup>1</sup> by IBM in collaboration with Oxford Economics found that more than 90% startups in India fail in their first five years. But we are still around, gearing up for the next 20. In the seven years since the IPO, revenues have grown almost four-fold and profitably too. Our global footprint has expanded; we have registered our presence in some 54 countries around the world. Our software products have helped generate millions of regulatory submissions. The 30 or so regulators, who have reposed their trust in us, give us purpose. Today, we impact the lives of one third of the world's population.

Oh yes, we have reason enough to rejoice.

Over the last few years, our work has been gaining recognition, winning us laurels in India and abroad. A few months ago, we received an award from Central Banking, arguably the most authoritative journal focusing on bank supervision and related areas, for our work with central banks in India and elsewhere. Over the last couple of years, we have been anointed India's best fintech, India's best TaxTech and

<sup>1</sup> <https://in.newsroom.ibm.com/2017-05-18-IBM-Study-Innovation-Key-to-Startup-Success-in-India>

India’s best MSME in tech. Nothing gives us more satisfaction than to see how well our products fare in benchmarking exercises. On G2, our users rank us highly; the peer reviews of IRIS CARBON<sup>2</sup> give us much reason to rejoice.

IRIS has done well for our investors

The market has rewarded our shareholders handsomely. In 2010, Subhkam, the only venture capitalist to take an interest in IRIS, invested ₹7.5 cr. IRIS today is a 16 bagger for Subhkam.

The market has also delivered attractive returns to those who invested in our IPO in 2017 when we raised ₹16 cr. For them, IRIS is an 8-bagger, making it a 35% return when compounded annually. We are happy that our long-term investors are in the money.

It was a coming of age party

The celebration on May 25, 2024 marked the coming of age of IRIS. We are still small. We have to get bigger. We are growing but we need to grow faster. We are profitable but we need to become even more profitable. There is much left to do. Learning to work with meager resources toughened us, preparing us to face the future with confidence.

We are getting discovered by new shareholders and new classes of

shareholders. We have been able to attract top quality investors as you may have noted from the entry of Tunga Investments and Pratithi Investments into the cap table. As signaling goes, this spoke loudly even beyond the market. For instance, the quality of CVs coming to us has suddenly improved. It is time to shift to a higher gear. The conditions are ripe for that. We have always thought big but now we have the resources to execute on our vision. Ideas are fine but execution is the key to building a great business.

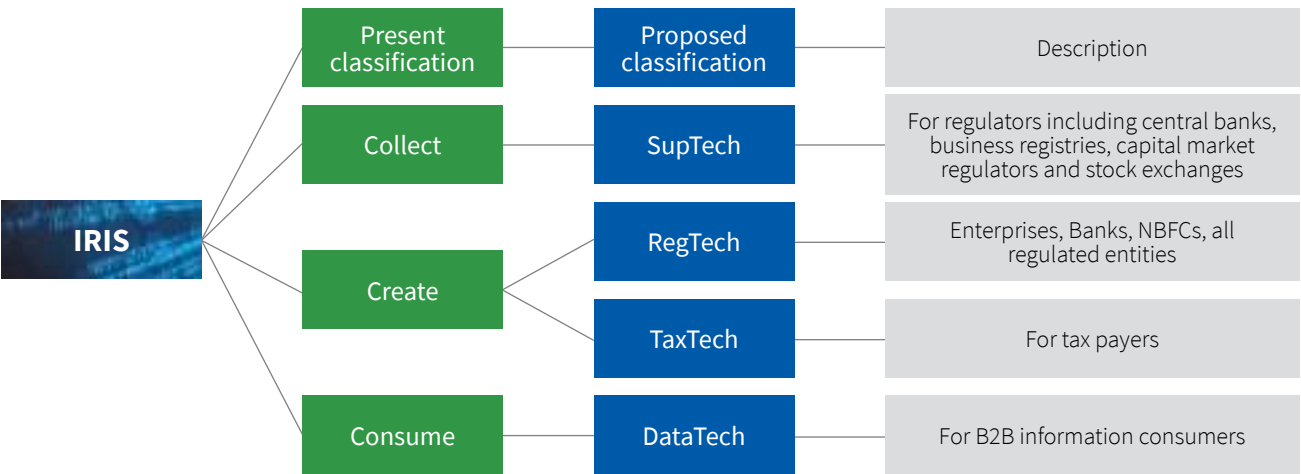
We are ready for the next 20

We have the products. We have referenceable paying clients. We have the people. We have the understanding. We have demonstrated thought leadership. Funding is increasingly easier to access. We are ready to take on the future.

New technologies will force us to adapt and to do our business differently. We are often asked if AI will drive us out of business. To which we have a simple question: What will AI be applied on, if not data? There will be new ways of handling data in the future. New ways to collect, new ways to create and new ways to consume. So long as there is data, we will stay relevant. We may have to make some changes to how we conduct our business but the core value proposition will remain intact.

As entrepreneurs, we have demonstrated the ability to spot future trends. We have been the first in many of the things we have done. In a previous avatar, the promoters of IRIS had set up India’s first financial portal which remained the market leader for many years. Funding issues did us in. Similarly, we were among the first in the world to started working on XBRL in 2006. Our ability to be ahead of the curve is not person-dependent because we have institutionalised it. The first foray into XBRL happened not because of the promoters but because of a colleague who brought it to our notice.

So, when I talk about the next 20 years, I want it known that the ability to move with the future and stay relevant is in the DNA of IRIS. So, whether it is AI or something else that crops up in the future, we have the ability to flow with it and not be pushed into oblivion. It also helps that we are basically frugal. So, you won’t see us betting the house on a new technology. It is just not our style. In our experience, the evolution of technology is almost always gradual and incremental. Hence the ability to be aware and keep track of new developments, which is ingrained in the Company, will stand us in good stead. Above all else, our approach in developing products in partnership with an anchor customer ensures that we get a sense of what customers are willing to pay.



<sup>2</sup> <https://www.g2.com/compare/iris-carbon-vs-workiva-workiva>

We need to make a few changes starting with the way we present our business. A casual remark of an analyst I met recently set me thinking. “Can you not give your business segments names that I can Google,” the analyst asked. So, the first task we have set for ourselves as we enter the next 20 years is to move to a simple way to present the Company so that investors and analysts can figure out our business more easily.

When we set up shop, we came up with what we felt would be appropriate names to describe our business segments. So we called them Collect, Create and Consume. In those days, there were no industry segments to describe our business. Somebody classified us as GRC or Government Risk and Compliance. Yet another called us a Fintech. New sub categories within Fintech have by now emerged that offer a more precise description of what we do. Henceforth, we will stick to the classification that has already been adopted by the world.

## Collect is SupTech

It was the Monetary Authority of Singapore that coined the name SupTech. The Financial Stability Institute of the Bank for International Settlements defines SupTech as use of innovative technology by supervisory agencies to support supervision. Elaborating further<sup>3</sup>, they point out how it helps supervisory agencies digitise reporting and regulatory processes, resulting in a more efficient and proactive monitoring of risk and compliance at financial institutions. Though they point out that SupTech is currently found in two areas of applications – data collection and data analytics – our own SupTech offering is much broader.

iFile, our electronic filing platform, is the flagship product of our SupTech business. Today, we serve some 30 regulators

who are clients of our SupTech suite of offerings. Our engagement starts with a consulting exercise that is primarily about taxonomy development. This is followed by the deployment of our electronic filing platform iFile, stitched together with our validator, Bushchat and our taxonomy editor, Noah, to make it a complete offering.

What we have managed to do over the last 20 years is to emerge as a credible provider of a SupTech solution. Our breadth of experience across the world, across companies large and small, and across regulators, from central banks to business registries, capital market supervisors and stock exchanges has equipped us to serve the needs of every regulator seeking to go digital. Central to a digital roll out are standards and increasingly, even if only slowly, regulators are moving to XBRL as the preferred reporting standard. The need for a standard is more recognised and understood universally than the benefits of the adoption of the XBRL standard.

For example, the Comptroller & Auditor General of India<sup>4</sup> has directed the Government of India to move to a standards-based framework without mentioning XBRL explicitly. The form and manner of accounts has to be driven by a data standards approach that is rooted in technology, they have said. They talk of the need for a robust taxonomy without actually using the word. ‘We need a proper framework and dictionary to help capture, record, report, publish, analyse this data, consistently and accurately, both vertically across levels of Government and horizontally across entities that perform functions on behalf of Government by bringing these transactions and entities under an IT-led financial reporting framework.’ It sounds like a SupTech solution that IRIS is well positioned to deliver.

Elaborating<sup>5</sup> on the problem they hope to solve with this recommendation, they have said that in its absence, ‘the usability (of data) is restricted as it is in separate and disparate databases primarily for their own purpose. Data is difficult to link, compare and analyse across Government due to lack of common data standards.’ Their recommendation is for the government to adopt data standards.

The World Bank too is a huge votary of XBRL. In a 2021 Technical Document<sup>6</sup> entitled: ‘The Next Wave of SupTech Innovation SupTech Solutions for Market Conduct Supervision’ they might as well have outlined the journey of IRIS thus far even as they explicitly recognise how XBRL adoption helps regulators solve the data quality issues that may be plaguing them. In this context, the RBI experience is worthy of citation. As a research study published on the basis of the RBI experience points out. ‘Efficiency of the reporting system has improved to a great extent along with a reduction in errors as compared to the previous system.’ RBI has been feted across the world for what it has achieved with the solution we developed and deployed for them. Not long ago, we were conferred an award by the highly respected Central Banking journal, for the technology solution that we rolled out at several central banks across the world, including RBI.

Estimates of the size of the SupTech opportunity vary widely depending on how broadly one defines the market. One can take a narrow view and confine oneself to just the financial system alone or one can take a broad view to include all kinds of regulators including and especially those outside the financial system. At the very least there are no fewer than 2000 regulators who are yet to go down this path. Then in each country there is state level reporting that is beginning to be

<sup>3</sup> <https://www.bis.org/fsi/publ/insights9.pdf>

<sup>4</sup> Source: Page ii, Performance Report 2019-20, Office of CAG

<sup>5</sup> [https://cag.gov.in/uploads/guidance\\_notes/guidanceNotesPracticeGuides-05f91825458fc50-52277021.pdf](https://cag.gov.in/uploads/guidance_notes/guidanceNotesPracticeGuides-05f91825458fc50-52277021.pdf)

<sup>6</sup> <https://documents1.worldbank.org/curated/en/735871616428497205/pdf/The-Next-Wave-of-Suptech-Innovation-Suptech-Solutions-for-Market-Conduct-Supervision.pdf>

important. For instance, each of the 50 states in the US needs an iFile like solution to be able to meet the ACFR mandate that IRIS is uniquely positioned to service. In India alone, while many regulatory implementations have stated their intention to implement XBRL, they have no idea what it entails. At least one state in India has already announced its plans to roll out XBRL across departments of the state.

### Create = RegTech + TaxTech

SupTech is of more recent vintage than RegTech. The latter, whose coinage can be traced back to 2015, was first used by UK's Financial Services Authority who described it as 'a subset of fintech that focuses on technologies that may facilitate the delivery of regulatory requirements more efficiently and effectively than existing capabilities.' As for SupTech, the term has been in use since 2017.

The Create segment of our business is basically RegTech, considering that we deliver software to filers for regulatory compliance. The segment houses four products, including IRIS CARBON for enterprise reporting, IRIS GST suite of products for tax reporting, iDeal that is used by banks, NBFCs and cooperative banks for reporting to Reserve Bank of India and iReport for reporting in compliance with AML and FATCA like mandates. Basically, RegTech.

Except that we see a case for carving TaxTech out of RegTech to give it a distinct identity and to focus on this with greater intensity.

The journey of IRIS in the world of regulatory reporting began with the deployment of a filing platform christened ICERS by the Bombay stock Exchange. Needless to say, this threw up need for a software that enterprises could use to file and that is how our foray into RegTech happened. ICERS was a SupTech offering; the filing tool was a RegTech solution. Initially it was an MS Excel-based utility that has since evolved much and is now available in many flavours.

The ability to deliver a comprehensive SupTech and RegTech sets IRIS apart in the world of regulatory reporting. More and more regulators are seeking proven solutions instead of depending on software developers to create customised software for them. If there is SupTech, RegTech opportunities cannot be far behind.

Here again, it is the experience of IRIS acquired over the years that will stand us in good stead, going forward. Through our free tool, several million filings have been generated by businesses and submitted by them to their regulators. Our priced tools have won us over 6,000 paying clients

“Data data everywhere, simply not used anywhere.”

Anonymous, 2023

across the world, including some of the leading global companies. We should be able to grow by selling more to existing clients. Equally we hope to add to our client list.

SupTech contracts awarded by regulators through an RFP process do not require huge marketing budgets. With RBI as a reference client, we could confidently approach other central banks. With Singapore's ACRA as a client, our credentials were proven. Ditto with our capital market implementations. Our past implementations help us win the trust of prospective clients and thereafter only pricing matters.

But RegTech works differently. Without a war chest to mount a marketing campaign of any significance, we took a different

approach to grow our RegTech business, which has worked for us. Now with access to funding, we can only do better.

Partners have helped us grow our RegTech business. I must make a special mention of ADD d.o.o., our partner in Slovenia, whose efforts ensured that 22 of the 26 companies listed in that market are users of IRIS CARBON, our cloud-based collaborative authoring solution.

We also ensured that the product fared well in all peer group benchmarking exercises by third parties. This made it easier to get into the consideration set of potential customers. This has helped greatly whenever there were new mandates helping us win new customers. We are hopeful that we can gain some traction in the replacement market too now that we have funds earmarked for a marketing push. Our strategy would be to take a share of the churn that we have seen happen in every market immediately after the first phase of adoption.

To gear up for what lies ahead, the first step that we have already taken is to set up a dedicated inside sales team to work with the sales team to acquire customers. They will support the frontline sales team to grow the market for IRIS CARBON.

What is also a source of excitement is the recent emergence of sustainability reporting as a priority for countries the world over. We are hopeful of being able to leverage our existing client list to notch up gains even as we seek to expand our client list with our ESG offering. What adds heft to our credentials is our work for GRI to develop the taxonomy. ESG reporting is just beginning and can be expected to become a significant contributor to our growth over the next decade and beyond.

With iDeal, the focus is on overseas markets considering that we already have a dominating presence in the Indian market. Growth of this product will continue to be partner led. Our SupTech initiatives do give us an edge in markets where we have the regulator as a client, like South Africa for instance.

TaxTech as a separate segment predates the identification of SupTech and RegTech as business segments significant enough to warrant their own place under the sun. Presently our offerings are restricted to software offerings for GST compliance alone. Having been a GSP from the time of introduction of GST and having become one of just four IRPs in the country recently, the segment craves for individual attention. Hence, in the days ahead, we will bracket Carbon and iDeal under RegTech while carving out our GST suite for tax compliance under TaxTech.

It is also pertinent to mention that the adoption of tax technologies is a high priority area for many countries. Tax enforcement has been identified by most of them as a need of the hour to boost tax revenues because of pressure from multilateral lending agencies or because of an understanding of the issue from within. Our experience in India, emerging as a leading GSP and to also be appointed as an IRP has given us the confidence to venture elsewhere. Our first foray is into Malaysia.

### Consume = DataTech

“Data data everywhere, simply not used anywhere.” Anonymous, 2023

While the other segments outlined elsewhere in this essay are basically mandate driven, the business of data and data applications is not. An increasingly digital world throws up a number of data streams, which, if harnessed well, can provide powerful insights to the user.

The digitisation of India has thrown up enormous possibilities, which when harnessed in their entirety, can be transformational for the country as a whole. In fact, the Account Aggregator framework created by RBI is a step to help the private sector leverage some of the opportunities thrown up in the emerging Digital India. In all this, the market continues to be generally oblivious about what XBRL can achieve. Equally, the need

for the adoption of data standards to make integration easy has not really gained as wide an appreciation as one would have hoped.

In India, while data available through stock exchanges and the Ministry of Corporate Affairs is certainly used, it is not the data from the available XBRL filings. Tragically, most users are not alive to how much better it would be for them to use it in the XBRL format. The richness of GST data remains under appreciated even within the government when its efficient use can facilitate targeted policy making and bolster economic growth.

Our IRIS Peridot product, which builds off GST data, has seen 15 Lakh downloads, more than 5 Lakh of whom are active users. Interestingly, the mobile app has a huge user base within the GST department of the government. It is free and I invite you to download it on your mobile phone. I promise that you will be amazed at what it can do for you.

The DataTech business required significant investments, which is why we had decided to defer any serious foray into this space. But now that the Company is in a good space, we are looking at growing our DataTech business with a focus on selective areas.

For example, while regulators have been able to leverage the power of XBRL to improve regulatory oversight, the benefits of XBRL are yet to percolate to the wider market. We see opportunities in many underserved areas, including for instance, capital markets.

### Looking ahead

Before I sign off, allow me to share with you where IRIS will be after 20 years and what the Company will look like.

### We will have clients in every country in the world

In an increasingly digital world, with cloud delivery, this is an attainable goal. Until

now we have served clients in 54 countries. With the UN today having 193 member states, we have some ground to cover. While we will have products specific to a country like our GST suite in India for example, our growth will be driven by offerings that are relevant globally, like IRIS CARBON.

### We will have no identifiable promoters

In this respect, we wish to be like Infosys or Larsen & Toubro. The promoters of IRIS are first generation entrepreneurs who do not see it as a family-owned business. Our vision is for IRIS to be a largely employee owned company with a strong Board of Directors providing oversight.

### IRIS will be counted among the best in the world from a corporate governance perspective

Last week we conducted an internal exercise within IRIS to see how we measure against the best governed companies in India. We relied on the evaluation methodology<sup>7</sup> developed by IIAS based on the G20 / OECD principles. We had two members of the staff do the scoring. One gave us a score of 68, the other had us at 77. That places us at the very top among the best governed companies in India. This was a purely internal exercise based on methodology<sup>7</sup> published by IIAS. We are delighted that on our own, even without being told, we are doing what is right for our shareholders.

### There will be a new management at the helm of affairs

This is a no brainer. All three promoters will reach the age of superannuation within the next few years. The promoters are beginning to work with the Board to ensure smooth succession planning. We are hoping to find successors from within the Company, perhaps from the leadership team of the four business divisions.

Thank you for your attention.

<sup>7</sup> [https://80cb29c1-d47b-4d4e-a4b4-a262ad35f48b.filesusr.com/ugd/09d5d3\\_4608409dba0649169a7a6f17c03b4ffd.pdf](https://80cb29c1-d47b-4d4e-a4b4-a262ad35f48b.filesusr.com/ugd/09d5d3_4608409dba0649169a7a6f17c03b4ffd.pdf)

## Operating Review



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I believe the Company has reached a critical mass in revenues and customer base that promises sustainable growth across the foreseeable future

**K. Balachandran**, Chief Financial Officer, reviews the performance of the Company in FY 2023-24

## The big message

The big message one needs to communicate to shareholders is that we believe the Company has reached an inflection point during the last financial year. We crossed ₹100 cr in revenues for the first time, which represented a 37% growth over the previous financial year. It would be interesting to note that the Company has nearly quadrupled revenues in the space of seven years. The fact that 72% of the revenues during the last financial year were from outside India indicates success in the Company reaching prominent customers the world over. I think we have reached a critical mass in revenues and customer base that promises sustainable growth across the foreseeable future.

## Improving demand

The improvement in the Company's performance during the last financial year is also a reflection of the growth in digitalisation of regulatory reporting and adoption of standards the world over. Following the waning of the pandemic influence there is a wider receptivity among global and Indian clients to reinvest in their reporting systems.

We see an enhanced awareness of a digital reporting discipline within an increasing number of governments the world over. This discipline is being applied to a growing number of reporting compliances by government, enhancing reporting standardisation that is not only reducing compliance burden on one hand but also improving ease of information access and comparison at the other.

There was an improvement in our Collect business, marked by an increased number of contracts on the one hand and

enhanced contract sizes on the other. We expect this business to perform well looking at the demand drivers.

In the Create business, which comprised enterprise reporting, we are integrating a step backward with the introduction of the IRIS disclosure management solution playing a larger role in the CFO office, meeting compliance requirements while increasing reporting efficiencies.

## Optimism

At IRIS, we are optimistic of our prospects on account of significant changes transpiring on the reporting landscape. Regulatory bodies the world over are seeking to bring more subjects within the reporting circle, strengthening the basis of a transparent and informed society. Apart from financial reporting, non-financial reporting is coming in a big way into a structured data format. In the BFSI sector there is more emphasis on granular data.

By standardising this reporting by regulatory bodies the world over, there is emerging an easy comparability, creating a basis for regulatory and investor appraisal. In view of this, solutions provided by

companies like IRIS are bringing into play a potent and cost-effective tool in a deeper understanding of an increasingly relevant subject at a time of climate change.

As data reporting becomes increasingly complex and comprehensive, there will also be a premium on the functional and cost-effective nature of solutions provided by service providers like our Company. At IRIS, we are proud to have distinguished ourselves across the years through the delivery of customised solutions for specific client needs around a superior cost-value proposition.

Now that the pandemic is behind us, regulators seek to strengthen their technology platforms around digitalisation; there is a greater role of automation in information aggregation versus manual collection, which deepens our prospects.

## Preparedness

At IRIS, we recognise that there is a premium in addressing this emerging opportunity.

The preparedness needs to be at two levels – the capacity to provide solutions that address the comprehensive and addressed the cost-effective needs of customers coupled with the ability to reach prospective customers.

During the last few years, the Company was restricted in reaching prospective customers on account of a limited marketing budget; each year, a small amount of the surplus was allocated towards marketing. The fact that the Company crossed ₹100 cr in revenues with no serious marketing spending is a testimony to the goodwill generated by successful engagements with large international and Indian customers.

**The improvement in the Company's performance during the last financial year is also a reflection of the growth in digitalisation of regulatory reporting and adoption of standards the world over.**

The time has come to seize the available opportunity through a higher marketing spend. In view of this, the Company intends to allocate a larger proportion of its budget towards marketing.

I am pleased to communicate that the Company made a preferential issue of 10,86,955 equity shares aggregating ₹20 cr during the current financial year. The proceeds will provide the Company with sustainable ammunition with which it plans to invest wider and deeper in its marketing to acquire new customers and increase the share of the wallet from existing customers.

Moreover, this preferential issue of equity shares attracted pedigree investors. The fund raise has validated the Company's business model and the long-term prospects of the industry it operates in.

## Performance

IRIS finished the year under review with creditable financials.

The Company reported an operating cash flow of ₹11.7 cr (as distinct from cash profits) as on March 31, 2024, which was 105% higher than the previous financial year. This increase was aided by revenue growth and tighter receivables management.

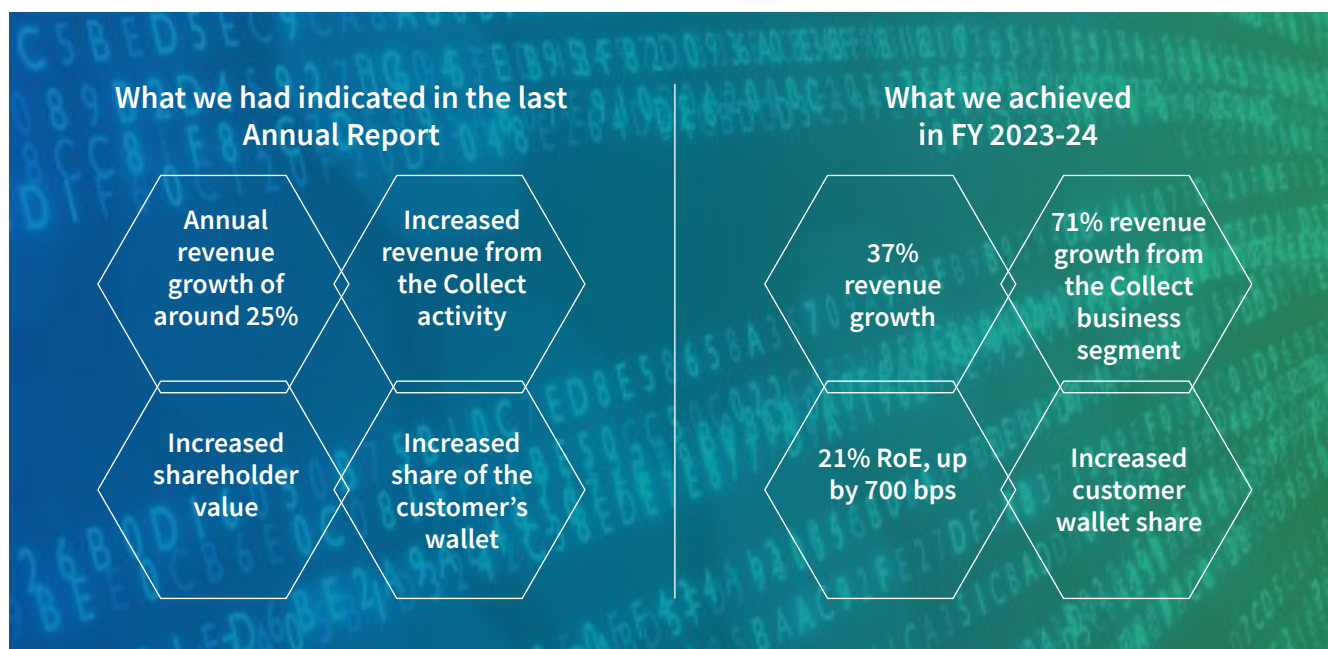
The Company's EBITDA margin strengthened from 14.6% to 15.4% in FY 2023-24. Correspondingly, Return on Capital Employed strengthened 700 bps to 24% in FY 2023-24. From a shareholder's point of view, it is important to note that the Return on Equity improved to 21% in FY 2023-24 as against 14% in FY 2022-23.

The Company's debt-equity ratio strengthened from 0.17 to 0.13 and cash

and bank balance increased from ₹6.8 cr to ₹13.9 cr through the course of the year.

More importantly, the Company reported a recurring revenue of ₹61.80 cr, which accounted for 60% of the Company's revenues, indicating a multi-year traction in engaging customers.

Going ahead, our objective is to achieve annual growth higher than the historical average. While this could mean additional sales and marketing expenditure and therefore put a restraining influence on short term margins, we sense that we have created a robust platform that will empower us to grow faster, enhancing value for all those associated with our Company.



## Financial Analysis

# An insight into our financial structure and performance

## The big message

We crossed the landmark ₹100 cr in revenues during the year under review with a 37% year-on-year growth. We believe the Company has entered a different orbit as it seeks to continue this momentum. Not only in terms of revenue, but the Company was also able to register a growth in average recurring revenues, signifying customer retention. Despite a rise in operating costs, the Company registered higher profit margins during the financial year under review. The gearing ratio of the Company strengthened by the end of FY 2023-24 on account of a reduction in debt as the Company ended the financial year with a stronger cash conversion cycle. This performance indicates a deepening of the Company's financial strength across the last few years.

## Revenues

The Company's revenues grew by 37% during the year under review as the number witnessed a rise from ₹74.9 cr in FY 2022-23 to ₹102.96 cr in FY 2023-24. One of the key reasons behind this landmark achievement was the revenue accrued from the new project in the 'Collect' segment. In addition, the Company's turnover also increased because of growth in our SaaS business as well as a smart pick up in the performance of our automated data flow solutions in the BFSI space.

	FY22	FY23	FY24
Revenue (₹ cr)	62.02	74.9	102.96

## Collect

The Collect segment was the highlight for the Company during the year under review. Revenues from this segment grew 71% from ₹26.9 cr in FY 2022-23 to ₹45.8 cr in FY 2023-24. The contribution of the Collect segment to the overall revenues of the Company grew from 37% in FY 2022-23 to 45% in FY 2023-24 as the SARB project

was a highlight for the same. The segment's profit grew from ₹2.2 cr in FY 2022-23 to ₹4.2 cr in FY 2023-24 in absolute numbers and 8% in FY 2022-23 to 9% in FY 2023-24 in terms of margins.

## Create

The Create segment's revenues grew from ₹43.5 cr to ₹52.3 cr as the contribution of the segment to the overall turnover of the Company reduced from 59% to 51%. The segment's profit grew from ₹6.4 cr in FY 2022-23 to ₹9.5 cr in FY 2023-24. The profit margin of the segment registered a 300 bps growth from 15% to 18% during the year under review.

## Consume

The Consume segment revenues grew from ₹3.4 cr to ₹4.1 cr. The contribution of the segment to the overall turnover of the Company stood at 4% in FY 2023-24 as against 5% in FY 2022-23. On the other hand, the segment's profit margin grew from 24% in FY 2022-23 to 31% in FY 2023-24.

## Exports

The Company's international revenues as a proportion of overall revenues grew from 62% in FY 2022-23 to 72% in FY 2023-24. This growth was mostly powered by the South African Reserve Bank project, which not only raised the Company's international revenue mix but also more than doubled revenues from Africa (from 13% in FY 2022-23 to 30% in FY 2023-24) as a proportion of the overall revenues.

	FY22	FY23	FY24
International revenues as a % of overall revenues	55	62	72

## Annual recurring revenue (ARR)

The Company sustained its service standard, resulting in 95% customer retention. ARR increased from ₹55.4 cr in FY 2022-23 to ₹61.8 cr in FY 2023-24, a 12% growth in FY 2023-24. The five-year CAGR of the Company's ARR stood at 18% compared to the five-year CAGR of revenues at 20%.

## Profits

The Company reported an increase in profitability during the year under review. EBITDA grew 45% from ₹10.93 cr in FY 2022-23 to ₹15.88 cr in FY 2023-24, PAT grew by 105% from ₹4.29 cr in FY 2022-23 to ₹8.79 cr in FY 2023-24.

## Margins

During the financial year 2023-24, the Company registered higher margins compared to FY 2022-23, following increased revenues. EBITDA margin grew from 14.6% in FY 2022-23 to 15.4% in FY 2023-24. PAT margin increased from 5.7% to 8.5% during the year under review, a 280 bps growth.

	FY22	FY23	FY24
EBITDA margin (%)	12.8	14.6	15.4
PAT margin (%)	1.6	5.7	8.5

## Capital efficiency

In view of increased profits and margins, the Company delivered a higher return on equity (RoE) of 21% in FY 2023-24 compared to 14% in FY 2022-23. Besides, the return on capital employed (RoCE) improved from 17% in FY 2022-23 to 24% in FY 2023-24.

## Liquidity

The Company prioritised Balance Sheet liquidity. The Company possessed cash and cash equivalents worth ₹13.9 cr and cash flows

from operating activities of ₹11.8 cr at the close of the year. With reduced receivables of 80 days (as against 123 days in FY 2022-23) and controlled payables (27 days in FY 2023-24), the Company was able to shrink its cash conversion cycle and improve cash flows from operating activities.

	FY22	FY23	FY24
Cash and cash equivalents (₹ cr)	4.7	6.8	13.9
Cash flow from operating activities (₹ cr)	-1.3	7.1	11.8

## Debt management

The Company's improved accruals helped moderate debt, strengthening the debt-equity ratio from 0.17 in FY 2022-23 to 0.13 in FY 2023-24. Correspondingly, the Company's interest coverage ratio increased from 15.80 in FY 2022-23 to 20.90 in FY 2023-24.

	FY22	FY23	FY24
Debt-equity ratio (x)	0.21	0.17	0.13
Interest coverage ratio (x)	11.40	15.80	20.90

## Way forward

The Company mobilised additional capital (₹20 cr) in a post-Balance Sheet development, primarily to drive sales, marketing and product development, and address general corporate expenses.



## The IRIS CARBON Review



“We are focused on bringing in the right talent to scale our business”

## Overview

While IRIS is one of the pioneers in enabling enterprises to report in XBRL, we always had a clear strategic intent to go deeper into the reporting process in the CFO's office.

The introduction of the 'Disclosure Management' module within IRIS CARBON represents a step in this direction. The global disclosure management market size is expected to grow to USD 1.2 billion in 2024 and more than double to USD 2.56 billion by 2029, indicating a large addressable market that is emerging. (Source: Mordor Intelligence)

Non-financial reporting as required by ESG mandates is another key value-enriching layer we would be offering to address the needs of our existing and prospective customers.

The need to build scalable sales and marketing teams is a critical activity for our SaaS business. Towards this, the Company recruited the services of a senior leader to drive sales growth of IRIS CARBON, our flagship SaaS-based product. Secondly, the Company added experienced employees

to drive sales and marketing. Finally, we invested in training and mentoring the existing as well as the new recruits to make them ready for emerging challenges.

Over the last few years, IRIS has expanded its geographical footprint, received prestigious awards and transformed from a service-oriented business model to a product-oriented one.

IRIS CARBON is distinctly positioned in terms of its agility and flexibility in meeting needs of diverse mandates. A growing product presence across Europe, US and Africa provides the Company with a platform of enhanced visibility to attract customers.

IRIS CARBON has successfully addressed key tick boxes such as demand addressal, product fit and, above all, customer satisfaction. We are optimistic that our emphasis on a market-facing approach as well as strengthened sales and marketing should start bearing fruits.

**Deepta Rangarajan**  
Co-Founder and Director

## Big numbers

# 1.2

USD billion, Global disclosure management, 2024

# 2.56

USD billion, Global disclosure management, 2029

## Technology Review



“Our focus has always been on the right set of technology”

### Overview

At IRIS, our focus in FY 2023-24 was on the use of appropriate technologies to service clients best and quickest. The Company remained committed to upgrade systems and processes where considered necessary through a complement of the right technologies.

During the last few years, the Company deepened its technologies and processes. The key shift was the productisation of the business model from service to product. This shift was catalysed by the Company's young workforce, enhancing responsiveness to evolving technologies. The Company shrank workflows without compromising quality; its flat decision-making structure enhanced efficiency and effectiveness.

The Company continued to enhance technology processes with data security as its highest priority. The Company secured certifications - ISO 27001, SOC1 Type 2, SOC2 Type 2, ISAE 3000 and ISAE 3402 – that enhanced systemic integrity.

The Company remained committed to upgrade processes, with generative artificial intelligence (GenAI) plugging gaps. Going ahead, the Company will leverage autotagging and content generation, empowering CFO.

### PKX Thomas

Chief Technology Officer

# Business principles driving our Company

## RegTech

**Commitment:** The Company will focus on long-term business growth

**Expertise:** The Company will focus on RegTech through SaaS offerings

**Conservative:** The Company will dilute equity selectively to grow the business, safeguarding promoter interest

**Discipline:** The Company's business is driven by cost austerity, cross-segment funding lines and desired viability across market cycles

## SaaS focus

- Subscription-based product
- Reduced upfront costs for the customer
- One-time product development costs
- Margins traction after a sales threshold
- Multi-year customer engagement
- Possibility of creating a multi-year cash-rich business
- Enhanced revenue viability

## Business adjacency

- Revenues rising from products
- Rise in annuity revenues from ₹5,542 Lakh in FY 2022-23 to ₹6,180 Lakh in FY 2023-24.
- Attracted innovation-driven software engineers focused on product creation
- Product 'ownership' enhanced people retention
- Costs scaled marginally, revenues growing faster through enhanced productivity

## Business growth strategy

Geographically broadbased with a scaling growth

Increased sales and marketing investments to widen the geographic footprint

Rising growth opportunity; limited XBRL competition

Improved annual recurring revenue and annuity-like incomes

Positioned strategically to benefit from price points, customer credibility and quality services

Strengthen the Create business for a shorter receivables cycle

## Trends

# Why RegTech is becoming increasingly critical in a governance-driven world



## Overview

The growing necessity for RegTech services is being catalysed by increasing regulatory complexity, globalisation, cross-border compliance, large volumes of data and manual traditional methods being inefficient in handling this large data volume. The users of this data are looking for cost-effective ways to identify potential risks, monitor compliance in real time and improve data management for enhanced decision-making.

Moreover, RegTech addresses challenges posed by process digitisation, permitting the monetary authorities in acquiring crucial market insights.

The increasing engagement between national regulators and financial institutions is playing an important part in improving the development of this market.

## The increasing need for RegTech in 2024

**Increased regulatory complexity:** As regulations become more complex and demanding, financial institutions and businesses seek RegTech solutions to streamline compliance and reduce non-compliance.

**Advancements in technology:** Innovations in artificial intelligence, machine learning, and blockchain are enhancing RegTech capabilities, making them more efficient and effective in monitoring and managing regulatory requirements.

**Cost efficiency:** RegTech solutions offer significant savings by automating compliance tasks, reducing manual processes, and minimizing the risk of regulatory fines and penalties.

### Data privacy and security concerns:

Growing concerns over data privacy and security are driving the adoption of RegTech solutions, strengthening compliance with stringent data protection regulations like GDPR and CCPA.

### Global expansion of financial services:

As financial institutions expand their global operations, there is a growing need for RegTech solutions to manage multi-jurisdictional compliance requirements.

### Regulatory sandboxes and innovation hubs:

Governments and regulatory bodies are creating sandboxes and innovation hubs to catalyse the development and testing of RegTech solutions, creating a supportive environment for growth and adoption.

## Analysis

# ESG reporting is becoming central to reporting in a world marked by climate change; IRIS is playing a growing role in it

## Overview

The ESG foundation is built on three pillars: Environment, Social, and Governance.

The Environmental pillar addresses the Company's effect on the natural world, encompassing carbon emissions,

waste management and biodiversity preservation.

The Social pillar focuses on the Company's interactions with people and communities, covering aspects such as labour practices, community involvement, and human rights.

The Governance pillar comprises frameworks, controls, and processes employed by a company to govern itself, make informed decisions, manage risks, and address the needs of stakeholders.

## Significance of ESG reporting

The significance of ESG for companies is paramount, especially in a context, where 90% of S&P 500 companies are now disclosing ESG information, highlighting its critical role in contemporary business. This trend is reinforced by the expanding market for ESG investments, expected to reach €31 trillion (USD 33.9 trillion) by 2026, indicating a significant shift in investor preferences towards sustainable and responsible practices.

ESG reporting holds significance for modern enterprises for the following reasons:

**Meeting stakeholder expectations:** The OECD reports that 83% consumers expect companies to actively promote ESG best practices. Transparent ESG reporting addresses this demand for corporate responsibility and sustainability.

**Improving investor relations:** With 89% investors appraising ESG in their investment parameters, detailed ESG reporting provide necessary insights for a deeper understanding and confidence in the long-term value of a company.

**Enhancing brand reputation:** ESG practices align with the values of 88% consumers, who demonstrate increased loyalty to companies advocating social and environmental issues, enhancing their brand perception.

**Increasing competitive advantage:** As ESG investments are expected to reach €31 trillion (USD 33.9 trillion) by 2026, ESG initiatives can distinguish companies, enhancing their appeal to consumers and investors.

**Managing risks:** ESG reporting is essential for identifying and mitigating risks, particularly as climate-related incidents are

projected to cost suppliers USD 1.3 trillion (€1.2 trillion) by 2026 (Source: Carbon Disclosure Project).

**Accessing capital:** Over €16.6 trillion (USD 18 trillion) is managed in ESG-focused funds; companies with robust ESG credentials are more likely to attract investment and capital on favourable terms (Source: Deloitte, plana.earth).

## Challenges of ESG reporting

Implementing ESG reporting comprises significant challenges that demand strategic foresight, operational flexibility, and a dedication to change. Despite a clear inclination towards ESG principles, companies face obstacles.

One obstacle is the corporate silo, with approximately 24% of companies citing internal divisions as barriers to ESG advancement (Source: McKinsey). These

silos obstruct information flow and collaboration critical for ESG success.

### Balancing growth with ESG

**commitments:** While acknowledging long-term ESG benefits, 40% leaders struggle to reconcile these initiatives with instant goals. This highlights the need for a balance that facilitates sustainable development and business expansion.

**Inconsistent reporting standards:** Some 37% executives note the absence of uniform ESG reporting standards, making it difficult to navigate guidelines and expectations. This inconsistency affects the effective communication of ESG outcomes.

**Data and skills shortage:** About 46% investors indicate a lack of comprehensive ESG data as an obstacle, complicating investment decisions and strategy

development. Moreover, 37% market issuers and investors highlight a shortage of skilled personnel in the ESG sector, emphasising the need for specialised knowledge.

**Challenges in ESG investment:** Concerns about performance, risks of greenwashing, and insufficient data comprise ESG investing challenges. These issues highlight the complexities of incorporating ESG considerations into investment strategies, calling for increased transparency and accountability.

**Active role of asset managers:** A recent PWC report stated that 88% institutional investors advocate asset managers to be proactive in developing ESG-focused products.

**Demand for global standards:** The push for consistent global standards and reporting guidelines, particularly among investors in North America and Europe, emphasises a wider challenge in creating a unified framework for ESG reporting and assessment.

### Engagement of asset managers:

According to a recent PwC report, 88% institutional investors expect asset managers to play a more active role in creating ESG-focused products. This highlights a growing pressure on financial professionals to innovate within the ESG domain.

(Source: plana.earth)

## A 2023-24 overview

ESG reporting has seen significant regulatory changes in recent years. The US Securities and Exchange Commission introduced a rule for climate-related disclosures, alongside other major regulatory shifts in Europe and other regions. Growing pressures from investors, regulatory bodies, and public encouraged companies to adopt environmental, social, and governance (ESG) practices that are more transparent, standardised and effective. The emphasis of this shift was not solely on risk management but also in identifying sustainable growth opportunities.

Recent sustainability and ESG trends comprised the following:

### Corporate sustainability reporting:

New sustainability reporting regulations were introduced to standardise the disclosure of non-financial information. These requirements subjected businesses to enhanced scrutiny and potential challenges from stakeholders in novel ways. Companies are now not only questioning which regulations apply but also exploring effective methods to

harmonise these standards within their global operations.

### New regulations for transition

**planning:** Companies are increasingly expected to publicly commit to achieving net-zero greenhouse gas emissions and, more critically, to put into action decarbonisation strategies that also consider broader sustainability issues such as nature, adaptation, and equitable transition. This will lead to corresponding reporting standards and the use of tools that enhance reporting transparency.

**The rise of ESG litigation:** Litigation related to climate change is on the rise, frequently initiated by NGOs that are extending their legal challenges to include banks alongside fossil fuel companies. This is a global arena where various liability theories are being tested across different jurisdictions. When claimants prevail, legal strategies are often reused with reporting standards at the centre.

### Evolution of sustainable finance

**products:** The sustainable finance market is developing, with products becoming sophisticated and varied. Although 2023 was not a growth year for the issuance

of green, sustainable, and sustainability-linked bonds (SLBs), the market remained substantial and could catalyse RegTech use.

### Funding net zero and the role of carbon

**markets:** Negotiators were unable to finalise the international carbon trading regulations under Article 6 of the Paris Agreement. This includes Article 6.2, which deals with collaborative approaches to climate mitigation among signatory countries, and Article 6.4, which aims to establish a new project-based carbon market mechanism as a successor to the Clean Development Mechanism (CDM). This could widen the market for RegTech.

**ESG regulation:** In recent years, global policy makers have taken steps to instill ESG into their economies to address climate and environmental challenges, make global trade fairer and bring about a fair transition. Regulatory measures are often used as a catalyst to deliver successful policy outcomes, comprising regulations, including on taxonomies, sustainability benchmarks, ratings, fund disclosures, non-financial reporting and value-chain due diligence.

# SaaS: The future of RegTech companies

## Big numbers

**273.55**

USD billion, global SaaS market, 2023

**317.55**

USD billion, estimated global SaaS market, 2024

**1,228.87**

USD billion, projected global SaaS market, 2032

## Overview

Software as a Service (SaaS) is a type of cloud service designed to enable users to access applications over the internet. The consistent and growing adoption of public cloud services by enterprises is a key driver of this market. A significant factor promoting the shift towards SaaS solutions

for ERP systems is the high cost associated with deploying on-premises software models. However, concerns about data security and privacy in public cloud services may act as hindrances to market growth.

The SaaS market is catalysed by the increasing use of emails, instant messaging apps, and video

calls that boosts the demand for smart devices. The adoption of SaaS solutions is rising, reducing IT expenses and enhancing scalability. The ability to customise SaaS solutions is becoming simpler and cost-effective, allowing businesses to address specific needs, including security considerations. (Source: SkyQuest)

## Growth drivers

### Growing investment in cloud services

**by major players:** The adoption of cloud services by end-use businesses is likely to drive growth in the SaaS industry. Some big market players are emphasizing an increase in their investment for a better product portfolio.

### Rising demand for smart devices and their applications:

The increased use of

e-mailing, instant messaging programs, and video calls has widened end user demand for smart devices and grown the software-as-a-service (SaaS) market.

## Challenges

### Privacy concerns pose a significant

**hurdle for the market:** Privacy concerns pose a hurdle as users increasingly rely on cloud services to store sensitive business and personal information. Issues such as

data loss, application vulnerabilities, data breaches, unforeseen emergencies, and cyberattacks could affect market growth.

### Lack of security for sensitive data:

The absence of security measures for various data types remains a concern that threatens market expansion even as the utilisation of SaaS applications grows (including for business-critical and personal information storage).

## The growth of the Indian SaaS market, 2023

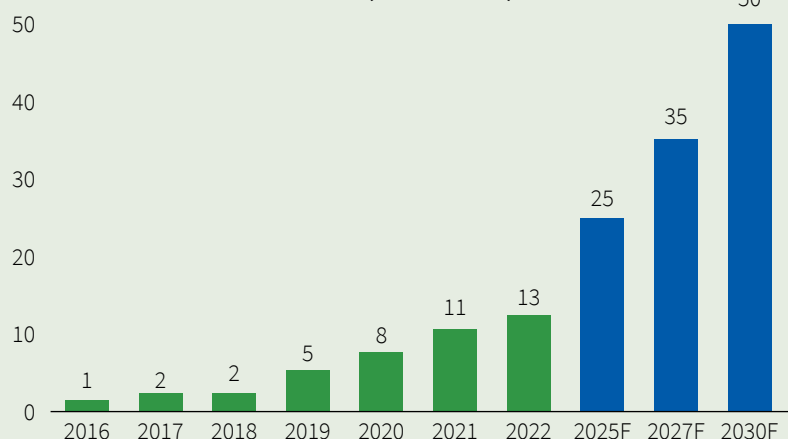
As the Indian SaaS ecosystem continues to mature, AI and efficiency are emerging as key themes for cloud growth in India.

India's software-as-a-service (SaaS) market entered a robust growth trajectory, with

projections indicating USD 50 billion in annual recurring revenue (ARR) by 2030, nearly quadrupling from its current size. Indian cloud service providers cater to domestic and international customers. Many India-based SaaS companies initially target the local market before expanding

globally. Companies generating USD 50 million or more in revenue fall into domestic-first and global-first categories. Having invested in India's entrepreneurial ecosystem for 15 years, this is an opportune time to deepen investments.

INDIA'S SAAS MARKET SIZE (USD BILLION)



Source: Venture Intelligence, Industry Reports, BVP analysis

By 2030,  
India's SaaS market size  
is forecasted to reach

**USD  
50B  
in ARR**

# RegTech is evolving into segments with deepening relevance and growing markets

## RegTech

### Overview

RegTech comprises the management of regulatory monitoring, reporting and compliance within the financial industry through technology. IRIS' business spans RegTech and a related area called TaxTech. Given the increasing specialisation within the RegTech industry, it is useful to categorise this into a larger segment called 'RegTech' for enterprises and a smaller segment of 'SupTech' for regulators or supervisors.

The RegTech for enterprises comprise an array of distinct sub-segments such

as those specific to the BFSI sector such as AML/CFT (Anti Money Laundering / Countering Financial Terrorism) and those cutting across all enterprises such as Fraud Prevention, Regulatory Reporting, ICT Security etc. Within these segments, IRIS primarily operates in Regulatory Reporting.

Regulatory reporting is typically a time-consuming and error-prone process. RegTech automates report generation and ensures accuracy by integrating with existing data sources. Essentially, RegTech promotes greater transparency

in the compliance processes while enhancing efficiencies using modern technologies.

IRIS' solutions in the RegTech space consist of a SaaS platform for collaboratively assembling and authoring various regulatory reports as well as an automated data flow solutions for large volume data submissions targeted at the BFSI sector. Both offerings leverage information standards such as XBRL, which are mandated by the regulators.

## SupTech

### Overview

Supervisory technology, or SupTech, is about the use of technology to facilitate and enhance supervisory activities and processes from the perspective of supervisory authorities. Within this, a key area is that of solutions for regulatory reporting used by the supervisory authorities. The business of 'Collect' for IRIS is within this ambit.

The regulatory reporting solutions supervisors employ software tools that span across the life cycle of the data journey, starting from collection to validation and high-end analysis. The running theme in the SupTech industry has been one of increased granularity of data, higher frequencies and increasingly sophisticated analysis.

SupTech solutions can automate routine and repetitive tasks (data collection and analysis), reducing time and resources.

Automation through SupTech reduces the potential for human error in data handling and interpretation.

SupTech can also lead to cost savings for regulatory bodies by streamlining operations.

## TaxTech

### Overview

In today's rapidly evolving, technology-driven world, digital tax obligations are transforming as tax regulators globally adopt e-invoicing and e-reporting mandates. These regulators are recognizing the benefits of real-time data, increased tax compliance, reduction of the VAT gap, and a further automation of tax audits. Consequently, organisations must proactively enhance their tax functions to adapt to these evolving business and regulatory changes.

The e-invoicing and e-reporting markets are expected to experience substantial growth, with projections indicating a surge in adoption rates and market value, driven by a need for greater compliance and efficiency in business transactions.

### E-invoicing vs. E-reporting

**E-invoicing:** This involves sending and receiving invoices electronically in a structured data format, allowing for automatic and electronic processing between businesses.

**E-reporting:** This involves electronically submitting tax-related information to tax authorities. It often complements e-invoicing and requires companies to transmit all information related to their accounts payable/accounts receivable invoicing to tax authorities within a certain timeframe.

### Trends

**Regulatory Impact:** Tax authorities worldwide are increasingly adopting electronic invoicing as a strategic measure to combat tax evasion. Many are

implementing Continuous Transaction Control (CTC) models that facilitate real-time or near-real-time transaction processing and auditing.

**Integrated Digital Trade (IDT):** Beyond electronic invoicing, the shift toward IDT represents a comprehensive strategy for automating both business transactions and financial operations. This movement is supported by governmental policies mandating the incorporation of additional business documents and processes such as payment, invoice financing, electronic procurement, and tax automation.

**Technology integration:** Emerging technologies like Artificial Intelligence (AI) are increasingly being integrated with e-invoicing systems, offering new efficiencies and capabilities.

## IRIS and TaxTech

IRIS' tax technology story started with the implementation of GST in India when IRIS was appointed as one of the GST Suvidha Provider (GSPs) by GSTN to facilitate tax filing for large taxpayers. Since then the ecosystem has grown with the implementation of e-way bill and e-invoicing mandates for Taxpayers, in which IRIS, through its SaaS platform, has been helping companies across industry segments meet the various mandates. The convergence of e-reporting and e-invoicing which the

world is witnessing has already begun in India and IRIS is well placed with a full suite of offerings in e-reporting and e-invoicing space to take this to the taxpayers. Going upstream and downstream with finance automation solutions such as Accounts Payables and Accounts Receivables solutions are natural extensions to the Tax Technology platform.

With an established product offering, IRIS is looking at expanding its geographic

reach by extending its portfolio offerings in newer markets where e-reporting and e-invoicing mandates are getting rolled out. Malaysia is adopting e-invoicing from 1<sup>st</sup> Aug 2024 and IRIS would be launching a SaaS platform (MyInvois) to cater to this market. IRIS will continue to look at similar e-invoicing and e-reporting mandates in emerging markets and continue to expand its reach.

## Foundation

# The governance-driven commitment of IRIS

## Overview

Governance is a key foundation pillar of IRIS driven by its values. The Company's governance framework is led by the Board of Directors renowned in their fields of expertise. The Board of the Company consists of 8 Directors, out of which 4 are Independent and an Independent Director is the Chairman.

The Company possesses an established governance framework that specifies clear roles, responsibilities and decision-making processes. It guarantees transparency among the investors, employees, customers and the general public. Besides, its governance framework helps to identify and manage risks effectively, eliminating the potential for fraud, unethical behaviour and other detrimental activities. Moreover, the Company's governance framework assists in maintaining updation with the latest legal and regulatory requirements, eliminating risks of legal disputes, fines and reputational damage.

**Ethics:** At IRIS, our stakeholders recognise us as a Company with its 'heart in the right place.' We commit to upholding established moral norms, ensuring our actions reflect the highest standards of ethical conduct. This includes strict adherence to gender equality, zero tolerance for sexual harassment, no patience for unethical behavior, unbiased recruitment practices, respect for human dignity and rigorous compliance with environmental standards.

**Holistic approach:** At IRIS, we prioritise the well-being of all our stakeholders. Our customers enjoy efficient and cost-effective solutions; our employees feel a sense of ownership and purpose; our investors

achieve superior returns; the community benefits from our contributions; the government gains through tax revenues and job creation; and our vendors thrive by providing products and services to us.

**Endurance:** At IRIS, our ability to survive, adapt and achieve relative success stems from our commitment to focusing on more than just short-term gains. We aim to create long-term value, a principle that guides our decisions in recruitment, technology investments, choice of locations and customer selection.

**Board of Directors:** At IRIS, we value the composition of our Board. Our Board members bring a wealth of understanding and experience that enriches our business. Of the seven members on our Board of Directors, four are Independent, with an Independent Director serving as the Chairman of the Board.

**Role:** We develop taxonomies tailored to how we anticipate collecting and using information specific to our customers' businesses. Our process involves gathering, classifying, storing and comparing information, which facilitates informed and responsive decision-making. Moreover, our products are trusted to manage privileged information within customer domains, reflecting the high level of trust we command.

**Delight:** At IRIS, we have set a high standard for ourselves, which is superior customer satisfaction through a deep understanding of our customers' needs and providing customised solutions. This approach consistently leads to the perception that 'IRIS will deliver a solution that surpasses our expectations.'

**Personality:** At IRIS, we are convinced that the future favours a pay-per-use model over traditional product sales. Consequently, we have established ourselves as a Software as a Service company. This positioning ensures customer loyalty, predictable cash flows and enhanced revenue visibility for our offerings.

**Frugality:** At IRIS, our approach is characterised by responsible frugality. Our increase in fixed expenses has either matched or been lower than historical inflation rates. Moreover, we have managed to expand our revenues without sizable net worth infusions. Additionally, our customer acquisition costs remain below the average for the SaaS sector.

**Focus:** At IRIS, we have chosen to specialise rather than generalise. This focus has enabled us to enhance our business insight, which we then incorporate into our products. As a result, our products are fostering a culture of compliance — essential for companies to maintain their regulatory licenses to operate. We not only make compliance achievable; we enhance its effectiveness, convenience, and cost-efficiency for our customers.

**Audit and compliance-driven:** At IRIS, we not only offer products that enhance compliance; we embody this principle ourselves. We have fortified our commitment to being audit and compliance focused. Our compliance processes have evolved from paper-based methods to a digital discipline characterised by alerts and systematic escalation of issues.

## Case study

# IRIS CARBON® and CMS Systems capture 50% of the ESEF market in Cyprus

CMS Systems Solutions is a worldwide provider of professional services, focusing on the selection of Business and Accounting software. Globally recognised, CMS is a top developer of audit assurance and financial reporting tools, earning trust from a diverse clientele. Through a strategic partnership with IRIS CARBON®, CMS Systems Solutions expanded its presence in the iXBRL ESEF services market for listed companies in Cyprus. This partnership led to securing additional clients and reinforcing the market position.

## Background

CMS Systems Solutions, a global provider of professional services specializing in business and accounting software selection, has earned a reputation as a leading developer of audit assurance and financial reporting tools. With a diverse and trusted clientele, CMS Systems expanded its reach through a strategic partnership with IRIS CARBON®. This collaboration has significantly bolstered CMS Systems' presence in the iXBRL ESEF services market for listed companies in Cyprus. As a result, they have successfully captured 50% of the market, securing additional clients and strengthening their market position.

## Business challenges

Key requirements outlined by the CMS team were:

**Dynamic market response:** Adapt to changes in the market with the evolving needs of ESEF reporting and compliance,

**Quality product delivery:** Consistently deliver high-quality products to uphold a positive reputation.

**Reputation management:** Sustain a positive reputation in Cyprus, maintain

values with IRIS, and leverage their expertise in professional services and software solutions.

**Collaborative compliance:** Promote effective communication and teamwork with IRIS to meet regulatory requirements and achieve partnership benefits efficiently.

## Strategic partnership success

**Partner sales enablement:** Provide seamless training and support to the sales team, ensuring smooth acquisition of new business for ESEF reporting through partner sales enablement.

**Coordinated webinars and workshops:** Collaborate on informative sessions with CMS to educate clients on compliance processes and industry trends.

**Innovative solutions showcase:** Work together on joint presentations and live demos to highlight innovative solutions and demonstrate a commitment to excellence.

**End-to-end company engagement:** Thoroughly evaluate and address client needs, fostering a lasting and mutually beneficial partnership.

## Outcomes

Venturing into a partnership with IRIS CARBON®, has lifted CMS to a top-tier service provider. This resulted in a huge growth in the Company's market share and cemented their role in ESEF iXBRL/xHTML report preparation.

## Big numbers

# 50%

Market share secured for iXBRL reporting in Cyprus

# 33

New clients acquired

# 100%

Upsell ESEF iXBRL reporting to 100% of listed company customer base

## Case study

# How a South-East Asian business registrar gained regulatory transparency using IRIS iFile

A business registrar of a South-East Asian country needed to transform its financial reporting by implementing the XBRL Based Reporting System (XBRS).

## Background

Before the XBRL-based reporting system was used, companies in the country filed reports manually with the registrar to comply with the prevalent Companies Act, financial reporting standards and local reporting standards. More than 1.5 million+ companies registered with the business registrar through manual means leading to queues, data entry backlogs, and data availability delays. The business registrar sought to automate filing, reduce preparation time, and improve public access to financial data.

## Challenges

It was crucial to eliminate high manual work that often resulted from mistyping and errors. The data collection process was considered tedious and time-consuming. Manual filing systems and outdated data collection methods resulted in delays and inconsistencies in accessing crucial financial information.

## Solution

IRIS implemented its iFile filing platform for the business registrar to receive pre-validated quality data digitally from filing entities, which is accurate, easy to analyze, and on time. The project was designed using the global reporting standard XBRL (eXtensible Business Reporting Language) to fully automate all processes related to the compliance of legal requirements under the various companies Act and local and global reporting standards. The XBRL implementation did not change any existing requirements relating to financial reporting; it merely changed the manner and format in which the financial statements were transmitted to the regulator. The project was implemented in the following steps: XBRL taxonomy development, creation of an XBRL filing platform, and the implementation of an XBRL filing tool.

## Benefits

Powered by IRIS iFile, this shift from manual processes to a digital XBRL-based system improved the efficiency, accuracy, and accessibility of financial data, benefiting the business registrar and the regulated. The business registrar gained efficiency, productivity and digitalisation following the launch of the XBRL financial reporting. This initiative positioned the registrar as a leading regulator, capable of receiving digital financial reports with minimal manual effort. Besides, it generated faster reporting cycles, cleaner data, accessibility, quality and monitoring. For the filing companies, the engagement was quick and easy, with no manual report submission and analysis capability.

# The three verticals of our RegTech business

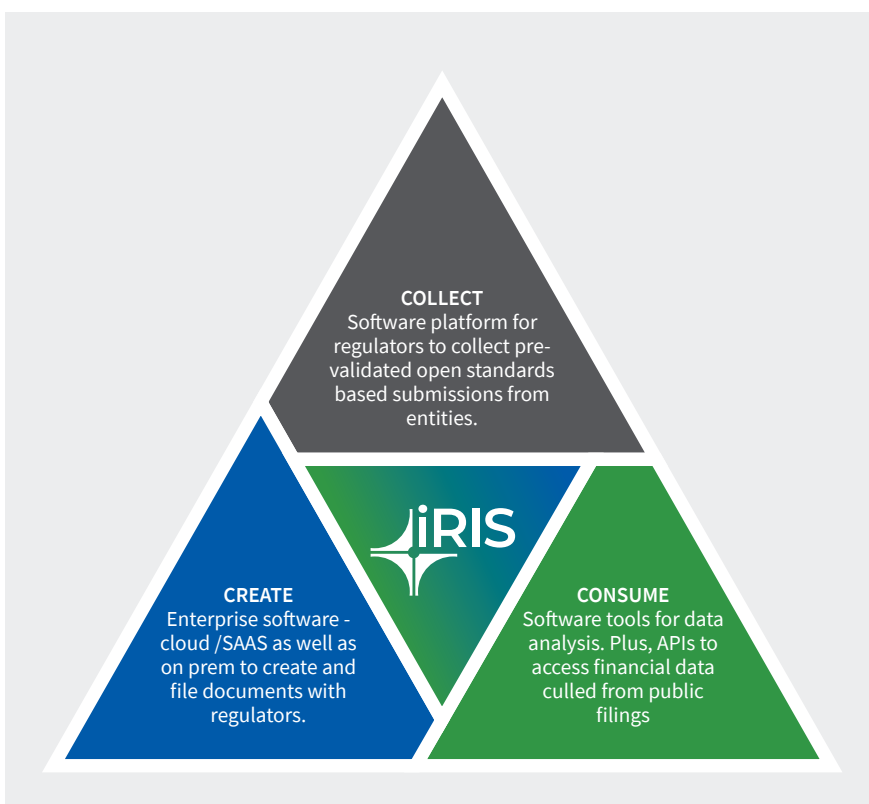
## Overview

Since its incorporation in 2000, IRIS Business Services Limited has built itself as a prominent global name in the RegTech space.

The Company specialises in solutions catering to compliance, data and analytics, that covers various aspects of the information supply chain and data reporting standards like XBRL and Statistical Data and Metadata Exchange (SDMX). The Company transitioned from a service-oriented business model to a product-oriented one in the last few years.

During the year under review, the Company reported a revenue of ₹10,296 against ₹7,490 Lakh reported in FY 2022-23, a growth of 37%.

Recurring revenues increased by 12%, ₹6,180 Lakh in FY 2023-24 from ₹5,542 Lakh in FY 2022-23.



## COLLECT

A software platform that enables regulators to gather pre-validated, open standards-based submissions from entities

### Taxonomy and consulting

- Taxonomy design and development
- Taxonomy testing and review
- Training
- R&D

**IRIS iFile:** An on-premise filing platform that helps regulators collect pre-validated data

## CREATE

Enterprise software available as cloud/ SaaS and on-premises solutions to generate and submit documents to regulators.

**IRIS CARBON:** A SaaS-based platform for structured document authoring and compliance reporting

**IRIS iDeal:** An on-premise solution designed to automate reporting for banks

**IRIS GST:** A comprehensive SaaS-based platform that supports end-to-end GST reporting in India

**E-Invoicing:** A SaaS-based system for creating and managing electronic invoices, which integrates smoothly with IRIS GST

## CONSUME

Tools for data analysis and APIs for accessing financial data extracted from public filings.

**IRIS Credixo:** Provides GST data feeds as a service (DaaS) to support lending decisions

**IRIS Peridot:** A mobile/DaaS application that verifies GST compliance, with APIs to access relevant data

**iConnect:** A data analytics product for peer benchmarking and comparisons.

## Revenue mix by segment

	Collect		Create		Consume	
	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24
Revenue (₹ Lakh)	2,688	4,584	4,350	5,235	348	411
Revenue share (%)	37	45	59	51	5	4
Segment Profit (₹ Lakh)	227	423	642	957	84	128
Margin (%)	8	9	15	18	24	31

IRIS product	Client profile	Market characteristics	Sales/marketing strategy
<b>iFILE</b>	Stock exchanges, business registries, central banks and securities regulators	<ul style="list-style-type: none"> <li>Mainly RFP-driven, long lead sales cycle.</li> <li>Bids as part of a consortium (sometimes as prime).</li> <li>Revenues via one-time implementation, followed by an ongoing AMC.</li> <li>Emerging SaaS-based pricing model</li> </ul>	<ul style="list-style-type: none"> <li>Leverage strong credentials and existing implementations</li> <li>Participated in XBRL and regulator-specific conferences.</li> <li>Case studies and content tie-ups with government specific publications and journals</li> </ul>
<b>iDeal</b>	BFSI players and data aggregators	Best suited when reporting is frequent, complex, high volume and can be automated on account of structured input format	<ul style="list-style-type: none"> <li>Tie-ups with channel partners such as implementation partners, independent consultants, BFSI domain experts</li> <li>Participation in banking and insurance events and forums, compliance and risk summits</li> </ul>
<b>Carbon</b>	Corporates and partners such as financial printers, audit and accounting firms	US SEC warrants frequent filing, higher price point, SaaS model established. UK, Ireland and Italy comprise a large number of companies, annual filings and smaller deal size. EU ESMA entails annual filings; the Company's SaaS model is established. US FERC mandate started in FY 2021-22, comprising a SaaS offering	<ul style="list-style-type: none"> <li>Sales-to-direct end customers and through channel partners</li> <li>Online sales strategy also to be explored in more fragmented markets</li> </ul>
<b>IRIS GST, E-invoicing</b>	Enterprises in India	Highly competitive market characterised by predatory pricing pressure and frequent changes in filing requirements	<ul style="list-style-type: none"> <li>Direct sales</li> <li>Sales and partner channel including banks and CA firms</li> <li>High brand recognition due to IRIS Peridot</li> </ul>

## Business vertical analysis #1

# OurCollect business segment

## 4,584

(₹ Lakh), Total  
revenue

## 45%

Share of total revenues in  
FY 2023-24

## 423

(₹ Lakh), Segment profit in  
FY 2023-24

### Overview

IRIS' Collect division addresses the needs of regulatory bodies worldwide. Its flagship product iFile is a comprehensive XBRL-based reporting platform built on a modular and flexible component design framework. The system can be easily implemented by any regulatory authority within its jurisdiction or utilised internally within an organisation. Using the web and client components, regulators can establish a reporting platform that enables regulated entities to submit information, which can then be stored, validated, and analyzed.

IRIS iFILE facilitates the collection of XBRL and non-XBRL data and seamlessly integrates with other information systems throughout the creation, dissemination, and analysis stages of XBRL data. Globally

recognised and utilised, IRIS iFile caters to various regulatory environments including capital markets, banking, and business registries.

### The IRIS differentiator

Over 15 years of experience with robust domain knowledge across various regulatory bodies

Easy integration with existing data management systems within the client's IT infrastructure.

A multi-disciplinary team including experienced technical and financial professionals with deep taxonomy and product platform skills

Track record of more than 30+ implementations across the globe

### Highlights, FY 2023-24

The Collect segment returned to its growth phase during the financial year under review with revenues witnessing a 71% growth and a 45% share of the overall revenues of the Company. This rise in revenues was primarily attributed to the acquisition of the South African Reserve Bank (SARB) project.

The profit of the segment grew 86.34% from ₹227 Lakh to ₹423 Lakh during the year under review.

### Outlook

The Company will continue to innovate and enhance the performance of the Collect segment. The Company will continue to engage with current and potential customers regarding platform improvements and new implementations.

## Business vertical analysis #2

# Our Create business segment

## 5,235

(₹ Lakh), Total revenue

## 51%

Share of total revenues  
in FY 2023-24

## 957

(₹ Lakh), Segment profit in  
FY 2023-24

### Overview

The Create segment is designed to address the needs of businesses that require collaborative tools for creating structured data driven regulatory filings. IRIS offers cloud-based solutions that simplify the intricate process of compliance reporting. Its primary clients include publicly listed companies, mutual funds and foreign private issuers subject to various regulatory mandates.

The standout offering in this segment is IRIS CARBON®, a subscription-based, cloud-hosted application. Moreover, this segment includes IRIS iDeal, which provides automated regulatory data filings for the BFSI (banking, financial services, and insurance) sector, and IRIS GST, which caters to specific Indian tax regulatory requirements and IRIS myeinvois, that provides an e-invoicing platform to global enterprises.

### Highlights, FY 2023-24

The Create segment showed modest growth during the financial year under review with revenues witnessing 21% growth and a 51% share of the overall revenues of the Company.

The profit of the segment grew 49% from ₹642 Lakh to ₹957 Lakh during the year under review.

### IRIS CARBON®

IRIS CARBON® is a cutting-edge, cloud-based authoring platform built for collaborative efforts. It supports a wide range of XBRL taxonomies for financial and non-financial reporting and adheres to specific business rules required by various international regulatory mandates, including those from the US-SEC, US-FERC, Europe-ESEF, UK-HMRC, and South Africa-CIPC. IRIS continually updates the product, integrating sophisticated features such as machine learning to automate tag selection and streamline report creation.

Not only is IRIS CARBON® cost-effective, but it is also accredited by XBRL International,

offering support for multiple languages particularly beneficial in Europe. IRIS is seeking to broaden its market by targeting US states that are moving towards XBRL reporting for state-owned agencies.

Moreover, IRIS CARBON® is equipped to facilitate the digitisation of ESG/ sustainability reporting. It already supports the Staff Draft IFRS Sustainability Disclosure Taxonomy introduced by the International Sustainability Standards Board (ISSB), which is expected to be globally adopted. In addition, the European Financial Reporting Advisory Group (EFRAG) has released an XBRL

taxonomy draft representing the European Sustainability Reporting Standard (ESRS) and this taxonomy is also accessible on the IRIS CARBON® platform.

This capability ensures that users are well-equipped to meet emerging global standards in sustainability reporting.

### Our strengths

**Value-added products:** The Company introduced a range of new products in complementary business sectors. As part of its expansion, IRIS ventured into the field of disclosure management by launching a cloud-based collaborative report

authoring platform. This offering serves as a backward integration strategy aimed at providing added value to its existing customer base.

**Depth:** The Company's application programming interfaces (APIs) and other analytics-driven tools played a crucial role in facilitating peer benchmarking and analysis. These powerful resources

enabled users to compare and evaluate their performance against industry peers, leveraging data-driven insights and analytics to gain valuable competitive intelligence.

**Repository:** The Company's reputation as a credible source of customer feedback highlights its commitment to customer

satisfaction and the quality of its products or services.

**Strong partnerships:** The Company built enduring relationships with local and global regulators.

**Reputation:** IRIS CARBON has gained a notable reputation among enterprises as a leading provider of quality solutions, as validated by independent assessments.

## IRIS GST

IRIS was among the initial GST suvidha providers (GSPs) selected by the Goods and Services Tax Network (GSTN). With the introduction of a comprehensive range of products under the IRIS GST umbrella, the Company aimed to assist businesses in fulfilling the intricate compliance requirements for GST return filing. Their solution seamlessly integrates an application service provider (ASP) offering with a GSP conduit, facilitating smooth interaction with the GSTN.

To cater to the specific needs of its clients, IRIS has formed a proficient team comprising technical and financial professionals. They have developed a

diverse portfolio of offerings, including cloud-based collaborative GST software, an e-invoice solution with simplified integration and an e-way bill management system. Furthermore, the popular IRIS Peridot mobile app, accessible on Android and iOS platforms, empowers users to access relevant information concerning registered tax payments, timely GST payments, and return filings for any captured GST number.

In 2022, IRIS was selected as one of the four private Invoice Registration Portals (IRPs) amid intense competition involving around 90 aspiring companies. This accomplishment reinforces IRIS'

position within the GST ecosystem, showcasing their expertise and unwavering commitment to delivering efficient and effective solutions in the domain of GST compliance.

## Accolades

Accredited as one of the four private Invoice Registry Portals by GSTN -2023

Winner of the Best Tax Technology Solution Provider (Jury) - 2022 award by TIOL

Winner of the Best Tax Technology Solution Provider (Silver) - 2021 award by TIOL

Winner of the Second Prize in Benefits of GST contest conducted by GSTN in 2020

## IRIS iDEAL

IRIS iDeal, an XBRL authoring tool, offers automated structured data regulatory reporting capabilities by extracting data from financial institutions' central repositories. This tool has gained significant traction in the banking sectors of India and Mauritius. The Reserve Bank of India has been actively encouraging

banks and financial institutions to adopt an automated data flow regulatory reporting model, making IRIS iDeal an integral part of this transition. The tool can be implemented using capital expenditure and operating expenditure models, providing flexibility to institutions. A majority of large banks in India rely

on IRIS iDeal for their reporting needs. Furthermore, IRIS collaborated with various technology partners and system integrators, including HCL, Mphasis, and Fintellix, among others, to ensure smooth implementation of the solution.

## Outlook

With an enhanced bouquet of offerings, IRIS CARBON is poised to go deeper into the reporting process and derive a better share of the customer's wallet. In addition, the productivity-enhancing features of the product are expected to attract customers who are not necessarily driven by an XBRL reporting mandate. Moreover, there are mandates across several jurisdictions

(including a move to the inline XBRL from standard XBRL filings) which are expected to boost demand for the product.

IRIS GST products, especially the eInvoicing platform, is now entering overseas markets, starting with Malaysia. Within India, this business line is expanding its offerings to include a litigation management platform as well as accounts payable automation solutions, in line with

the theme of delivering comprehensive solutions to enterprises, encompassing compliance and automation.

The iDeal business expects to continue its growth in India while expanding the business in the markets of Mauritius and South Africa. We are also exploring opportunities for the product in developed markets such as Europe.

# Our employees speak



I have been with IRIS for over 12 years. I feel privileged to have worked in the iDEAL Product division, where I contributed to the development and enhancement of iDEAL, CRILC, FATCA, and iREPORT products from inception. Despite having less than two years of experience at the time, IRIS reposed trust and provided the opportunity to work on the Bank of Mauritius project (including travel to Mauritius to be a part of the deployment team). This is what I will always remember: the Company trusted!”

*Jitendra Kumar, Lead software engineer*

Over my two innings at IRIS, I have consistently appreciated flexibility in location and timing. From the seniors to the managers, everyone has provided a supportive environment. IRIS fosters a workplace free from envy, negativity and politics, offering a cordial working space, where competition is based on performance. Thanks to supportive mentors, I was able to transition from technology into a product developer’s role— a job that makes me happy!”

*Nitin Chandra, Business manager, Product development*





I have been a part of IRIS since 2017 and the journey has been positive. The workplace is such that the toughest of times do not create pressure. Despite being a senior manager, the Company hands me the responsibility of pricing and negotiations of contracts. The best such instance was the landmark South African Reserve Bank Project. The Company empowered me to spearhead the project at the business development end. From presentations to tenders to delivery schedules, the way we addressed the project from start to acquisition felt like a project in itself. All this was possible because of the teamwork at IRIS.”

*Amit Jaidka,  
Senior manager, Business development*

My journey at IRIS from being a CA fresher in October 2011 to being the head of Customer Success has been satisfying. IRIS is the only organisation I have ever worked for. The Company has been an open book where there are no barriers with respect to location, department or timing. One can freely speak to a senior, manager or even CEO. The Company transformed from a service-oriented one to a product-based one in front of my eyes. If someone was to ask me where I see myself in the next five years, my answer would be the same: IRIS!”

*Anushree Joshi, Head of customer service, IRIS CARBON*



My journey at IRIS Business Services began in February 2024 as the Senior Vice President of the sales and growth department. Even though I have not been at the organisation for long, what I have been able to perceive is that IRIS comprises a prudent mix of people, technology and space. On a personal note, I faced a personal emergency, for which I received complete support and guidance from the management. At a time of distress, the kind of empathy I received from the management was touching. If I had to describe the Company in one word, it would be stability. The Company has endured across 20 years in a rapidly transforming space, which could have only happened if the Company had grown its employees.

*Servo Sawhney, Senior Vice President, Sales and growth department*



# Management discussion and analysis

## Global economy

### Overview

The global growth proved surprisingly resilient despite higher policy rates. Economic activity outpaced expectations in most countries, and employment, in particular, remained robust, even as inflation retreated significantly.

The global economy registered a decline in growth from 3.5% in 2022 to an estimated 3.1% in 2023. Asia is expected to contribute significantly to global growth in FY 2023-24, despite the weaker-than-expected recovery in China, sustained weakness in USA, rising energy costs in Europe, weak global consumer sentiment due to the Ukraine-Russia war, and the Red Sea crisis resulting in increased logistics costs. A tightening monetary policy translated into increased policy rates and interest rates for new loans.

Inflation is edging down from multi-decade highs, with intermittent upticks. Financial market sentiments have been fluctuating with changing views about an early pivot

by central banks in advanced economies (AEs). Growth in advanced economies is estimated to decline from 2.6% in 2022 to 1.5% in 2023 and further, 1.4% in 2024 as policy tightening takes effect.

Emerging markets and developing countries are projected to report a modest decline in economic growth from 4.1% in 2022 to 4.0% in 2023 and 2024. Emerging market economies (EMEs) are facing currency fluctuations amidst volatile capital flows.

The likelihood of lower interest rates has spurred rallies in equity markets, although uncertainty about the timing of interest rate reduction is reflected in bidirectional movements in the US dollar and sovereign bond yields. Global equity markets ended 2024 on a strong note, with major global equity benchmarks achieving double-digit returns. This outperformance was driven by a downturn in global inflation, a slide in the dollar index, declining crude prices, and higher expectations of rate cuts by the US Fed and other Central banks.

Global inflation is projected to decline steadily from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024 on account of a tighter monetary policy coupled with relatively lower international commodity prices. Core inflation is expected to decrease gradually, as inflation is not expected to return to its target until 2025 in most cases. The US Federal Reserve approved a much-anticipated interest rate hike that raised the benchmark borrowing costs to their highest in over 22 years.

Global headline inflation is expected to fall from an annual average of 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies returning to their inflation targets sooner than emerging markets and developing economies. The pace of convergence toward higher living standards for middle- and lower-income countries has slowed, implying a persistence in global economic disparities.

## Performance of major economies, 2023

GDP Growth %	Reported	Projections	
	2023	2024	2025
World output	3.2	3.2	3.2
Advanced Economies	1.6	1.7	1.8
United States	2.5	2.7	1.9
United Kingdom	0.1	0.5	1.5
Europe Area	0.4	0.8	1.5
Japan	1.9	0.9	1.0
Canada	1.1	1.2	2.3
Emerging and developing economies	4.3	4.2	4.2
India	7.8	8.2	7.0
China	5.2	4.6	4.1
Russia	3.6	3.2	1.8
Saudi Arabia	-0.8	2.6	6.0

(Source: IMF Report)

### Outlook

Asia is poised to continue leading global growth in 2024-25. Inflation is expected to ease gradually as cost pressures decrease; headline inflation in G20 countries is projected to decline. Amid high inflation and monetary tightening, the global economy has shown resilience as the growth is expected to be stabilised at previous levels over the next two years (Source: World Bank).

The baseline forecast is for the world economy to continue growing at 3.2% during 2024 and 2025, at the same pace as in 2023. A little acceleration in advanced countries—where growth is predicted to climb from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025—will be countered by a modest slowdown in emerging market and developing economies, from 4.3% in 2023 to 4.2% in both 2024 and 2025. The global growth projections for the next five years are at its lowest in decades, at 3.1%.

Global inflation is expected to slowly drop, from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced nations returning to their inflation objectives sooner than emerging market and developing economies.

Core inflation is expected to drop more gradually. Despite large interest rate rises by central banks to preserve price stability, the global economy has remained unexpectedly robust.

## Indian economy

### Overview

The Indian economy was estimated to grow 8.2% in FY 2023-24 as against 7.2% in FY 2022-23 primarily driven by improved performance in the mining and quarrying, manufacturing, and certain segments of the services sector. Along with being one of the fastest growing economies in the world, India ranked fifth in the world in terms of nominal GDP for 2023 according to IMF forecasts (World Economic Outlook –April 2024 Update). India overtook the UK to become the fifth-largest economy in the world in 2022 and has maintained its

position since then. In terms of purchasing power parity (“PPP”), India is the third largest economy in the world, only after China and the United States.

The Indian rupee displayed relative resilience compared to the previous year as the rupee depreciated 0.8% from ₹82.66 against the US dollar on the first trading day of 2023 to ₹82.18 on the last trading day of December 2023.

The International Monetary Fund (IMF), in its April 2024 economic outlook update, revised its India economic growth estimate

in real terms for Fiscal 2024 to 7.6% from the previous 6.3% estimate in October 2023, citing momentum from resilient domestic demand. Further, the growth forecast for Fiscal 2025 also witnessed an increase of 6.5% from the previous 6.3% forecast in October 2023. In the 11 months of FY 2023-24, the CPI inflation experienced an average of 5.4% with rural inflation exceeding urban inflation. Food inflation experienced a spike on account of lower production and erratic weather. Core inflation, on the other hand, averaged at 4.5%, down from 6.2% in FY 2022-23,

moderated by softening global commodity prices.

India's foreign exchange reserves reached a historic peak of USD 645.6 billion.

The credit quality of Indian companies

remained robust from October 2023 to March 2024 on account of deleveraged Balance Sheets, sustained domestic demand, and government-led capital expenditure. Rating upgrades continued to

surpass rating downgrades in the second half of FY 2023-24. UPI transactions in India witnessed a record 56% growth in volume and 43% growth in value in FY 2023-24.

### Growth of the Indian economy

	FY21	FY22	FY23	FY24
Real GDP growth (%)	-6.6%	8.7	7.2	8.2

### Growth of the Indian economy quarter by quarter, FY 2023-24

	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Real GDP growth (%)	8.2	8.1	8.4	7.8

(Source: Budget FY 2023-24; Economy Projections, RBI projections, Deccan Herald)

### Growth of the Indian economy quarter by quarter, FY 2024-25

	Q1FY25(P)	Q2FY25(P)	Q3FY25(P)	Q4FY25(P)
Real GDP growth (%)	7.2	6.8	7.0	6.9

(Source: Budget FY24; Economy Projections, RBI projections)

India's monsoon in 2023 hit a five-year low, with August marking the driest month in a century. Despite receiving only 94% of its long-term average rainfall from June to September, wheat production estimatedly recorded 114 million tonnes in the 2023-24 crop year due to higher coverage. Rice production was anticipated to decrease to reach 106 million metric tons (MMT) in comparison to 132 million metric tonnes in the previous year. Total Kharif pulses produced in FY 2023-24 stood at an estimated 71.18 Lakh metric tonnes, which is lower than FY 2022-23 due to climatic conditions. As per the first advance estimates of national income released by the National Statistical Office (NSO), the manufacturing sector output is projected to have grown 6.5% in FY 2023-24 compared to 1.3% in FY 2022-23. The Indian mining sector experienced an estimated growth of 8.1% in FY 2023-24 compared to 4.1% in FY 2022-23. Financial services, real estate, and professional services grew a projected 8.9% in FY 2023-24 compared to 7.1% in FY 2022-23.

Real GDP or GDP at constant prices increased from to ₹160.71 Lakh cr in FY 2022-23 (provisional GDP estimate

released on 31<sup>st</sup> May, 2023) to an estimated ₹173.82 Lakh cr in FY 2023-24. Growth in real GDP during FY 2023-24 stood at 8.2% compared to 7.2% in FY 2022-23. Nominal GDP or GDP at current prices was estimated at ₹295.36 Lakh cr in FY 2023-24 as compared to the provisional FY 2022-23 GDP estimate of ₹269.50 Lakh cr. The gross non-performing asset ratio for scheduled commercial banks improved from 4.1% as of March 2023 to 2.8% as of March 2024.

India's exports of goods and services were expected to reach USD 900 billion in FY 2023-24 compared to USD 770 billion in the previous year despite global headwinds. Merchandise exports were expected to expand between USD 495 billion and USD 500 billion, while services exports were expected to touch USD 400 billion during the year. India's net direct tax collection increased 17.7% to ₹19.58 Lakh cr in FY 2023-24. Gross GST collection amounted to ₹20.2 Lakh cr, marking an 11.7% increase, with an average monthly collection of ₹1,68,000 cr, surpassing the previous year's average of ₹1,50,000 cr.

The agriculture sector projected grew 1.8% in 2023-24, which is lower than the

4% expansion recorded in FY 2022-23. Trade, hotel, transport, communication, and services related to the broadcasting segment are estimated to grow at 6.3% in 2023-24, a contraction from 14% in FY 2022-23. The Indian automobile segment was expected to close FY 2023-24 with a growth of 6-9%, despite global supply chain disruptions and rising ownership costs. The construction sector was expected to grow 10.7% year-on-year from 10% in FY 2022-23. Public administration, defense and other services were projected to grow by 7.7% in 2023-24 as against 7.2% in FY 2022-23. The growth in gross value added (GVA) at basic prices was pegged at 6.9%, down from 7% in FY 2022-23.

India entered a pivotal phase in its S-curve, marked by rapid urbanisation, industrialisation, increase in household incomes, and rising energy consumption. The country emerged as the fifth largest economy with a GDP of USD 3.6 trillion and a nominal per capita income of ₹1,23,945 in 2023-24.

In FY 2023-24, India's Nifty 50 index experienced a 30% growth, propelling

India's stock market to become the fourth largest globally with a market capitalisation of USD 4 trillion. Foreign investment in Indian government bonds saw a significant increase in the final quarter of 2023. India ranked 63<sup>rd</sup> out of 190 economies in the ease of doing business, according to the latest World Bank annual ratings. Moreover, India's unemployment rate in urban areas declined to 6.7% in Jan-Mar 2024 according to NSSO from 6.8% during the same quarter last year. It was recorded at 6.6% in both the April-June 2023 quarter and July-Sept 2023 quarter, and 6.5% for Oct-Dec 2023 quarter.

## Outlook

India successfully tackled its global economic challenges in 2023 and is poised to continue as the world's fastest-growing major economy backed by a growing demand, moderate inflation, stable interest rates and robust foreign exchange reserves. The Indian economy is anticipated to reach USD 4.34 trillion by 2025.

## Union Budget FY 2024-25

The Interim Union Budget 2024-25 continued to prioritise capital expenditure spending, comprising investments in

infrastructure, solar energy, tourism, medical ecosystem, and technology. In 2024-25, the top 13 ministries in terms of allocations accounted for 54% of the estimated total expenditure. Of these, the Ministry of Defence received the highest allocation at ₹6,21,541 cr, constituting 13% of the total budgeted expenditure of the central government. Other ministries with high allocation included Road transport and highways (5.8%), Railways (5.4%), and Consumer Affairs, food, and public distribution (4.5%).

(Source: Times News Network, Economic Times, Business Standard, Times of India)

## Industry overview

### Global SaaS market overview

The global Software as a Service (SaaS) market size was pegged at USD 273.55 billion in 2023 and is anticipated to rise from USD 317.55 billion in 2024 to USD 1,228.87 billion by 2032, growing at a CAGR of 18.4% during the forecasted period – 2023 to 2032. North America accounted for a market value of USD 131.18 billion in 2023.

The Software-as-a-Service (SaaS) market involves delivering software applications over the internet on a subscription basis. In this model, software providers host and maintain the software, allowing users to access it remotely. SaaS applications encompass a wide range of functionalities, including customer relationship management (CRM), enterprise resource planning (ERP), human resource management (HRM) and collaboration tools, among others.

The growth of the SaaS market can be attributed to several factors, such as the rise in adoption of public and hybrid cloud-based solutions, integration with other tools and centralised data-driven analytics. SaaS solutions have rapidly evolved with the integration of technologies such as Machine Learning (ML) and Artificial Intelligence (AI), enhancing operational efficiency and intelligence across businesses.

In 2023, North America accounted for 49% of the global SaaS market share. Meanwhile, the Asia Pacific region is anticipated to exhibit the fastest compound annual growth rate from 2023 to 2030, with China and India leading the way on account of an increasing demand for outsourcing.

Globally, the United States is expected to be the highest revenue generating country, projected to reach USD150.7 billion in 2024. SaaS adoption has grown globally by 40% over the past year, with plans to continue this growth trend in the coming years.

(Sources: Fortune Business Insights, Verified Market Research, Statista, Your Story)

### Global RegTech market overview

The global RegTech market size reached USD 13.2 billion in 2023. Key factors driving the growth of this market include the increasing occurrence of fraudulent activities like money laundering and phishing, the rising adoption of online payment modes, and the growing collaboration between national regulators and financial institutions.

The United States is expected to comprise the highest market share of the global RegTech market with USD 15.6 billion by the end of 2032, accounting

for over 30% of the worldwide sales on account of increased investment transactions. Besides, risk and compliance management, as well as regulatory process automation, are highly valued in the nation.

RegTech leverages cloud computing technology through software-as-a-service (SaaS) to help businesses comply with regulations efficiently. It aids in regulatory monitoring, reporting and compliance, offering various tools to examine online transactions in real-time to identify issues or irregularities in the digital payment sphere. RegTech automates a wide variety of tasks, including employee surveillance, compliance data management, fraud prevention and audit trail capabilities.

The United States is projected to comprise the highest market share, reaching USD 15.6 billion by the end of 2032 and accounting for over 30% of the global sales, which is driven by increased investment transactions.

The integration of AI with RegTech is a key market trend. The adoption of AI enhances the identification of patterns and similarities even in unrelated sets of data, which is crucial for deriving insights from these data sets. Furthermore, the development of digital economies across the Asia-Pacific (APAC) region is expected to significantly boost the growth

of RegTech. The internet economy in this region has been steadily expanding. In Southeast Asia, it more than tripled over the last four years, reaching USD 100 billion in 2019, with Malaysia, Thailand, Singapore, and the Philippines experiencing growth rates of 20-30% per year. The adoption of digital payment technologies has been consistently rising in the region, and non-cash transactions are anticipated to account for nearly one in every two dollars spent by 2025.

(Sources: Imarc Group, Future Market Insights, Ians, Tookitaki)

### Indian SaaS market overview

The Indian SaaS market is anticipated to grow from USD 12 billion in FY 2022-23 to touch USD 37 billion in market size by 2028, at a CAGR of 23.7%. As Indian software startups persist to target international markets, the global market share of SaaS products from India is estimated to touch 8% by 2028. The market is projected to reach USD 50 billion of annual recurring revenue (ARR) by 2030. As several domestic software startups look at the US and

Europe markets for their go-to-market strategy, the current global market share of Indian SaaS products stands at 6%.

A total of 82 Indian startups were funded in the sector in 2023. During the calendar year, the number of deals stood at 111 with a funding size of USD 482.09 million. There is an increase in the number of early-stage companies surpassing USD 10 million in revenue, signifying a robust foundation for expansion.

India is the second-largest SaaS ecosystem by number and prominence of companies. From a domestic SaaS spend standpoint, the US has a giant lead with about USD 140-150 billion, followed by the UK with USD 13-15 billion and India at USD 2-3 billion.

There has been support from both established Indian SaaS investors and new entrants, especially at the later stages with funding deals surpassing USD 30 million. Furthermore, the Indian companies and unicorns are expected to generate revenues of USD 20-25 billion by 2030.

The Indian SaaS ecosystem is expected to create 100 unicorns, 50 centaurs and over 5 Lakh jobs by 2030.

With a strong talent pool, cost advantages and a track record of innovation, Indian firms are well-positioned to cater to diverse international markets. Moreover, the increasing trend towards digital transformation and cloud adoption globally further amplifies the demand for Indian SaaS solutions.

The Indian SaaS landscape is experiencing the emergence of several key trends that are shaping its trajectory. These include a shift towards digital and remote selling models, driven by changing consumer preferences and technological advancements. Moreover, there is a rising focus on vertical-specific software solutions, propelled by the growing adoption of digital technologies throughout industries such as BFSI, healthcare, and retail.

(Sources: The Economic Times, BVP, Your Story, The Hindu Businessline, LinkedIn, The Economic Times)

## Growth drivers

**Growing regulatory complexity:** Effective compliance solutions are required due to the continuously changing regulatory environment that affects a number of industries, including banking, healthcare, and data privacy. During 2023, as many as 11,28,265 cases of financial cyber fraud worth ₹7,488.63 cr were reported, as per the data compiled by the National Crime Records Bureau (NCRB).

**Efficiency and cost reduction:** Manual, labour-intensive, and resource-intensive are common characteristics of traditional compliance procedures. Organisations can save money by using RegTech solutions to automate compliance procedures, lower manual error rates, and boost productivity.

**Risk management:** RegTech solutions assist firms in identifying, evaluating, and mitigating regulatory risks by offering sophisticated analytics and risk

assessment tools. RegTech solutions enhance risk management skills by using machine learning algorithms and data analytics to detect potential fraud and compliance violations in real-time. Nearly 67% of businesses believe that the future of fraud prevention will be driven by AI/ML-powered solutions. The global AI in fraud management growth scenario is anticipated to witness an increase in revenue from USD 10,437.3 million in 2023 to USD 57,146.8 million by 2033. In addition, experts predict that between 2023 and 2027, the world will lose more than USD 343 billion due to digital fraud.

### Initiatives for digital transformation:

By 2023, it will also become home to the largest, youngest and the most digitally savvy population in the world. About 1.64 billion consumers will demand digital services in all areas of their lives. In an

effort to modernise and increase agility, organisations are embracing digital technology more and more. The 'Digital India' initiative has been instrumental in achieving this goal, and it has been extended with a total budget of ₹14,903 cr from FY 2021-22 to FY 2025-26.

### Growing adoption of Cloud computing:

On account of its scalability, flexibility and affordability, cloud-based RegTech solutions are becoming more and more popular. Organisations can simplify compliance operations by utilising cloud-based RegTech systems, which provide effortless setup, seamless integration and accessible from any location. Cloud is expected to add value worth USD 310-380 billion to India's GDP in 2026, accounting for approximately 8% of relative GDP.

(Sources: Verified Market Research, The Economic Times, Experian, Invest India, Money Control, Future Market Insights, Assets.ey.com)

## Employee retention

The Company propagates a welcoming and inclusive work environment, free from any form of discrimination. Employees are encouraged to take ownership of their work and are motivated to grow personally

and professionally. The Company acknowledges and rewards significant contributions made by employees across different areas of expertise. The Company's employee retention rate stood

at 87% during the year under review. The Company's resource strength stood at 500+ as on March 31, 2024.

## Risk management

The Company possesses a robust risk management system that covers various management and functional levels, and project areas.

The internal committee assists in the following activities:

- Review the risk portfolio and develop a response strategy to allocate resources effectively for mitigating respective risks.
- Receive new information and update the Board of Directors and other executive

bodies on the effectiveness of risk management practices.

- Direct comprehensive risk management processes.
- Set up guidelines to address risk management processes.
- Assess risk management processes daily throughout business units and controlled entities.

- Training in risk management and internal control.

**Industry risk:** A slowdown in demand from the user industry may impede business growth.

**Mitigation:** Regulators worldwide have mandated the implementation of XBRL in financial reporting, resulting in a substantial increase in demand for XBRL in the European and US markets.

**Innovation risk:** Our innovation may negatively affect our business sustainability.

**Mitigation:** The Company has been adapting to different regulatory taxonomies in various regions across the globe and tailoring its products accordingly. This unique capability to customise products based on the specific requirements of different geographical locations sets the Company apart in the market. The majority of the Company's capital investment is focused on improving and expanding its product portfolio. Moreover, the Company's ability to offer solutions throughout different stages of the product lifecycle positions it as a preferred vendor for leading global brands.

### Security and data privacy risk:

Failure to adequately address data security risks could damage the Company's reputation.

**Mitigation:** IRIS has implemented substantial measures to improve the security and confidentiality of user data, ensuring robust protection and privacy for its users. The Company has broadened its presence to markets such as Singapore, thereby strengthening its position in that region. To further boost its credibility, IRIS consistently subjects its systems to third-party audits, showcasing its dedication to transparency and accountability.

**Regulatory risk:** Changes in regulatory compliance could render the product obsolete.

**Mitigation:** IRIS has designed its products using modular components, which allows for easy updates and enhancements. This modular approach ensures that updates can be made quickly and efficiently. Moreover, hosting the products on the cloud offers scalability, accessibility, and flexibility for users. The Company's thorough grasp of regulatory shifts, combined with its team of financial experts, has enabled successful product updates. This expertise and knowledge ensure that the products stay current and compliant with changing regulations.

### Internal control systems and their adequacy

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

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

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

### Cautionary statement

The Management Discussion and Analysis report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this

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

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

# Our Founders and Directors

## S Swaminathan

*Founder and CEO*

Mr. Subramaniam Swaminathan holds an M.A. in Economics from Yale University, USA, and a B.Sc. (Hons) from St. Xavier's College, Kolkata. He began his career in the media, serving in senior positions with India's leading financial daily, The Economic Times, and later with the country's prominent magazine, Business India. Mr. Swaminathan played a pivotal role in launching Indian business programming on television.

He has also served as a consultant to the World Bank in Washington DC. Currently, Mr. Swaminathan heads Strategy and oversees Sales & Marketing functions at IRIS, where he is a keen evangelist of structured data standards and their application in non-financial areas.

His past roles include Chairman of the IT sub-committee at CII, Western Region; member of the Regional Council, CII WR; Vice-Chairman of the Indian Merchants Chamber, Navi Mumbai; and Honorary Chairman of the Bharatiya Vidya Bhavan, Navi Mumbai Kendra..

## Ashok Venkatramani

*Independent Director, Chairman, NRC*

Mr. Ashok Venkatramani, an esteemed alumnus of the Indian Institute of Management Ahmedabad and Harvard Business School, has an impressive track record in the media and corporate sectors. After a distinguished 19-year tenure at Hindustan Unilever, Mr. Venkatramani transitioned to ABP News Network, where he served as CEO. He subsequently held the position of Managing Director at ZEE Media Corporation. Recognized for his exceptional contributions to marketing, Mr. Venkatramani has been featured in the World CMO Council's prestigious list of India's 75 top marketers. His extensive experience and strategic leadership continue to influence and drive success in the industry.

## K Balachandran

*Co-Founder and CFO*

Mr. Balachandran has represented IRIS at prestigious forums including the IFRS Taxonomy Consulting Group of the International Accounting Standards Board (IASB) and the XBRL sub-committee of the Ministry of Corporate Affairs, Government of India. Before founding IRIS, he worked at CRISIL and Tata Economic Consultancy Services. He holds a graduate degree in chemical engineering and an MBA from the Indian Institute of Management, Bangalore.

## P K X Thomas

*Chief Technology Officer*

P K X Thomas is a seasoned technocrat with over thirty years of experience in product, technology and operations. His career includes significant roles at prominent organisations such as Hopscotch, Reliance Industries Limited and Cleartrip. Serving as the Senior Vice President and Chief Technology Officer at Reliance Brands Limited in Mumbai, he played a pivotal role in managing the development and operations of its mono-brand sites and contributed notably to the successes of Hamleys UK and other projects.

## Bhaswar Mukherjee

*Independent Director, Chairman, Audit Committee*

Mr. Mukherjee, a qualified Chartered Accountant, previously held the position of Director of Finance on the Board of Hindustan Petroleum Corporation Limited. Furthermore, he served as the CFO and Head of HR at Haldia Petrochemicals Limited.

## Deepta Rangarajan

*Co-Founder*

Ms. Rangarajan played a crucial role in overseeing significant client engagements during the growth phase of the Company in structured data, resulting in the development of IRIS CARBON, a product for which she now serves as a sponsor. She holds a Chemical Engineering degree from IIT Delhi and an MBA from IIM Ahmedabad. Her contributions have earned her a feature in the bestseller 'Stay Hungry, Stay Foolish' and the title of one of Navi Mumbai's Power Women of 2015.

## Vinod Agarwala

*Independent Director and Chairman of the Board*

Mr. Agarwala is a reputed Advocate & Solicitor in Mumbai with specialisation in various legal domains, including Corporate Laws, Securities Laws, Project Finance, Property Law, FDI and Commercial Laws. He is a Solicitor in the Supreme Court of England & Wales and an Advocate of the Supreme Court of India. He has over 35 years of experience in the legal field.

## Haseeb Drabu

*Independent Director, Chairman, Committee on Risk*

Mr. Drabu is a well recognised economist who held various roles in his career, including lawmaker, policy planner, banker and economic commentator. He held the position of the Finance Minister in Jammu & Kashmir and was the Chairman of J&K Bank.

# NOTICE

**NOTICE** is hereby given that the Twenty-fourth (24<sup>th</sup>) Annual General Meeting ('**AGM**') of the members of IRIS Business Services Limited will be on Wednesday, August 14, 2024, at 11:00 a.m. (IST) at Auditorium, First Floor, Bharatiya Vidya Bhavan Kendra, Plot No 3-A, Sector 30, Near Vashi Railway Station, Near Assam Bhavan, Vashi (East), Navi Mumbai – 400 703, through the hybrid mode i.e. both Physical and Video Conferencing ('**VC**') / Other Audio Visual Means ('**OAVM**') to transact the following business:

## ORDINARY BUSINESS:

### Item No. 1 – To consider and adopt the 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, 2024 including the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss for the year ended on that date and the report of the Board of Directors' and Auditor's thereon.

### Notes:

1. A Member entitled to attend and vote at the Annual General Meeting ('**AGM**') is entitled to appoint one or more proxies to attend and vote instead of himself/ herself. Such proxy need not be a Member of the Company. The Instrument of Proxy, in order to be effective, must be lodged with the Company not less than 48 hours before the Meeting. A person can act as a Proxy on behalf of Members not exceeding fifty and holding in aggregate shares not more than 10 per cent of the total Share Capital of the Company. Proxies submitted on behalf of Companies/ Association of Persons ('**AoP**') must be supported by an appropriate Resolution/ Authority, as applicable.
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
3. Brief details of the Director, liable to retire by rotation at the AGM and seeking re-appointment, are annexed hereto as per the applicable provisions of regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations, 2015'), the Act and the Secretarial Standard on General Meetings ('SS-2').
4. The Company's Register of Members shall remain closed from Thursday, August 08, 2024 to Wednesday, August 14, 2024 (both days inclusive).
5. Members can join the AGM through the VC/ OAVM mode 30 minutes before and 15 minutes after the scheduled time of

### Item No. 2 – To consider the re-appointment of Mr. Puthenpurackal Kuncheria Xavier Thomas (DIN – 09760233) as a Director, liable to retire by rotation.

To re-appoint Mr. Puthenpurackal Kuncheria Xavier Thomas (DIN – 09760233), who retires by rotation, and being eligible, has offered himself for re- appointment.

By order of the Board of Directors

**Santoshkumar Sharma**

Place: Navi Mumbai

Company Secretary & Compliance Officer

Date: May 18, 2024

(Membership No. ACS 35139)

Registered Office: T-231, Tower 2, 3<sup>rd</sup> Floor, International Infotech Park, Vashi, Navi Mumbai - 400 703.

the commencement of Meeting by following the procedure mentioned in this Notice. Members will be able to view the proceedings on the National Securities Depository Limited's ('**NSDL**') e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/ OAVM will be made available to at least 1,000 Members on a first come first served ('**FIFO**') basis as per the extant Ministry of Corporate Affairs ('**MCA**') Circulars. Detailed instructions for joining the Meeting through VC/ OAVM forms part of the Notes to this Notice.

6. No restrictions on account of FIFO entry into AGM, will apply in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors, etc.
7. Corporate Members intending to appoint their authorised representatives pursuant to Section 112 and 113 of the Act, as the case may be, to attend the AGM through VC/ OAVM or to vote through remote e-Voting are required to send a scanned copy of a certified copy of the Board Resolution/ Power of Attorney/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote by e-mail to the Scrutinizer at [priti.pjsassociates@gmail.com](mailto:priti.pjsassociates@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Alternatively, they can also upload their Board Resolution /Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/ Power of Attorney/ Authority Letter" displayed under "e-Voting" tab in their login.
8. The physical attendance of Members at the AGM in person or through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

9. In case of Joint-holders, a 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 for the purposes of the AGM.
10. In accordance with sections 101 and 136 of the Act, along with the rules made thereunder and relevant provisions of the Listing Regulations, 2015, listed companies may send the notice of the AGM and the annual report, including financial statements, board's report, etc., by electronic mode. Accordingly, the Notice of the AGM along with the Annual Report 2023-24 is being sent exclusively through electronic mode to members whose email addresses are registered with the Company/Depositories/RTA. Members should note that the Annual Report for FY2023-24, along with the Notice, proxy form, and attendance slip, will also be available on the Company's website at [www.irisbusiness.com](http://www.irisbusiness.com), the websites of the Stock Exchanges (BSE Ltd. at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Ltd. at [www.nseindia.com](http://www.nseindia.com)), as well as the RTA's website at [www.linkintime.co.in](http://www.linkintime.co.in) and on NSDL's website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Interested members may download the Notice and Annual Report from these websites. Physical copies of the Notice and the Annual Report will be provided to members upon written request to the Company.
11. **Instructions for attending the AGM through VC/ OAVM are given below:**  
Members will be able to attend the AGM in person or through VC/ OAVM or view the live webcast of AGM provided by NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) by using their remote e-Voting login credentials and selecting the e-Voting Event Number ('**EVEN**') for the AGM. The necessary details for joining the Meeting are given below:
  - i. Members will be provided with a facility to attend the AGM through VC/ OAVM through the NSDL e-Voting system and they may access the same at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) under the Shareholders/ Members login by using the remote e-Voting credentials, where the EVEN of the Company will be displayed. On clicking this link, Members will be able to attend and participate in the proceedings of the AGM. Please note that Members who do not have the User ID and Password for e-Voting or have forgotten the User ID/ Password may retrieve the same by following the remote e-Voting instructions mentioned below to avoid a last-minute rush. Further, Members may also use the OTP-based login for logging into the e-Voting system of NSDL.
  - ii. Members may join the Meeting through Laptops, Smartphones, Tablets, and iPads for a better experience. Further, Members will be required to use the Internet with good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge, or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/ Video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate such glitches.
  - iii. Members who face any technical difficulty in accessing and participating in the Meeting may contact toll free no. 1800-222-990. After login, the Members who face any technical difficulty in accessing the VC link may contact said toll free no.
12. **Procedure to Raise Questions/ Seek Clarifications:**
  - a. Members are encouraged to submit their queries with regard to the Financial Statements and / or any other matter being placed at the AGM from their registered e-mail ID, mentioning their name, DP ID and Client ID number/Folio number and mobile number, sufficiently in advance to reach the Company's e-mail ID at [cs@irisbusiness.com](mailto:cs@irisbusiness.com) on or before 5.00 p.m. (IST) on Friday, August 09, 2024.
  - b. Only those Members who have registered themselves as speakers will be permitted to express their views / queries at the AGM.
13. As per Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI LODR, the Company will provide the facility of casting votes through the electronic system from a place other than the venue of the Meeting ('**remote e-Voting**') under an arrangement with National Securities Depository Limited ('**NSDL**') as specified more fully in the instructions below:
  - a. The items of business set out in the attached Notice may, however, be transacted also through the electronic voting system as an alternative mode of voting provided that once a vote on a Resolution is cast, a Member shall not be allowed to change it subsequently or cast the vote again.
  - b. The facility for e-Voting shall also be made available at the Meeting venue and Members attending the Meeting who have not already cast their vote by remote e-Voting, shall be permitted to exercise their rights at the Meeting.
  - c. Members who have cast their vote by remote e-Voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their vote again. 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. **Thursday, August 08, 2024**, shall be entitled to avail the facility of remote e-Voting at the Annual General Meeting ('**AGM**'). The procedure for remote e-Voting and e-Voting during the AGM is the same. A person who is not a Member on the cut-off date should treat this Notice for information purposes only.

#### 14. INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING (BEFORE AND DURING THE AGM) AND JOINING GENERAL MEETING ARE AS UNDER:

The process and manner of remote e-Voting will be as follows:

The voting period begins from 9.00 A.M. (IST) on Sunday, August 11, 2024 and ends at 5.00 P.M. (IST) on Tuesday, August 13, 2024. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date ('record date') i.e. Thursday, August 08, 2024, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. The facility for voting electronically during the meeting is also available as the Meeting is being held physically. Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants ('DP'). Members are advised to update their mobile number

and e-mail ID in their demat accounts in order to access e-Voting facility.

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





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

#### Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders / members	Login Method
Individual shareholders / members holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.
<p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>     <b>Google Play</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>	

Type of shareholders / members	Login Method
	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their User ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual shareholders / members (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** shareholders / members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual shareholders / members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at no.: 022 - 4886 7000 and 022 - 2499 7000
Individual shareholders / members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.

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

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

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

Alternatively, if you are registered for NSDL eservices

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

4. Your User ID details are given below:

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

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

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the “initial password” which was communicated to you. Once you retrieve your “initial password”, you need to enter the “initial password” and the system will force you to change your password.
- How to retrieve your “initial password”?
  - If your email ID is registered in your demat account or with the company, your “initial password” is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your “initial password”.
  - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

- Members can also use the One Time Password (‘OTP’) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

- After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- Upon confirmation, the message “Vote cast successfully” will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders / members**

1. Institutional shareholders / members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to priti.pjsassociates@gmail.com with a copy marked to evoting@nsdl.com.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions ('FAQs') for shareholders/members and e-Voting user manual for shareholders / members available under the download section of NSDL's e-Voting website or contact Mr. Amit Vishal, Senior Manager / Ms. Pallavi Mhatre, Manager, National Securities Depository Limited, Trade World, "A" Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at telephone no. 022 – 48867000/ 022 – 24997000 or at e-mail ID: evoting@nsdl.com

#### **Process for those shareholders / members whose e-mail IDs are not registered with the depositories for procuring User ID and password and registration of e mail ids for e-Voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder / member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to cs@irisbusiness.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@irisbusiness.com. If you are an Individual shareholders / members holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders / members holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring User ID and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

#### **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/Shareholders who are present at the AGM either physically or through the VC/OAVM facility, and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system in the AGM.
3. Members 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.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
15. The facility for voting through e-Voting at the AGM shall also be made available to the Members attending the Meeting, who have not already cast their vote by remote e-Voting, shall be permitted to exercise their rights at the Meeting through e-Voting. The procedure for remote e-Voting and e-Voting during the AGM is the same.
14. Members who have cast their vote by remote e-Voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their vote again.
15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ('DP') and holdings should be verified from time to time.
16. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655

dated November 3, 2021. The aforesaid communication is also available on the website of the Company.

17. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/ electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.
18. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, PAN, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime India Private Limited - Registrar & Share Transfer Agent having address at C 101, 247 Park, Lal Bahadur Shastri Marg, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083, Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in), in case the shares are held by them in physical form.
19. **Procedure for registering e-mail addresses to receive this Notice electronically and cast votes electronically:**
  - a. Members who have not yet registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, to Link Intime India Private Limited - Registrar & Share Transfer Agent having address at C 101, 247 Park, Lal Bahadur Shastri Marg, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083, Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
  - b. E-mail addresses of Members as advised to Registrar and Share Transfer Agent where shares are held in physical mode or registered with Depositories where shares are held in the electronic mode will be deemed to be the Member's registered e-mail address for serving Company documents/ notices. Members intending to refresh/ update their e-mail addresses should do so as soon as possible.
  - c. Alternatively, Members may also send an e-mail request to [evoting@nsdl.com](mailto:evoting@nsdl.com) along with the following documents for procuring User Id and Password and registration of e-mail addresses for e-Voting for the Resolutions set out in this Notice:
    - i. In case shares are held in physical form, please provide Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.
    - ii. In case shares are held in Demat form, please provide DP ID-Client ID (8 digit DP ID + 8-digit Client ID or 16-digit Beneficiary ID), Name, client master or copy of Consolidated Account Statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card.
20. Members holding Shares, in physical form, in identical order of names in more than one Folio, are requested to write to the Registrar and Share Transfer Agent enclosing the relevant Share Certificates requesting consolidation of such Folios into one Folio for their own convenience.
21. As per the provisions of the Act, the facility for making/ varying/ cancelling nominations is available to individuals holding shares in the Company. Nominations can be made in Form SH-13 and any variation/ cancellation thereof can be made by giving notice in Form SH-14, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the Registrar and Share Transfer Agent or from the website of the Company at [www.irisbusiness.com](http://www.irisbusiness.com).
22. Persons, who have acquired Shares and become Members of the Company after dispatch of the Notice of the AGM, but before the cut-off date, may obtain the Login ID and Password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) or [cs@irisbusiness.com](mailto:cs@irisbusiness.com). However, Members already registered with NSDL for remote e-Voting can use their existing User ID and Passwords for casting their votes. If a Member has forgotten her/ his password, s/ he can reset her/his password by using "Forgot User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free No.: 1800-222-990.
23. Voting rights of Members shall be in proportion to their share in the Company's Paid-up Equity Share Capital as on the cut-off date.
24. The Company has appointed Ms. Priti Sheth, of M/s. Priti J. Sheth & Associates, Company Secretaries, (Membership No. CS 6833, C.P. No. 5518) and failing her Ms. Rachana Maru, of M/s. Priti J. Sheth & Associates, (Membership No. FCS - 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.
25. The Chairman shall, at the end of discussion on the Resolutions on which voting are to be held, allow e-Voting for those

Members present at the AGM but have not cast their votes through the remote e-Voting facility.

26. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or a person authorised by him/her in writing, who shall countersign the same and declare the results of the voting forthwith.
27. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company [www.irisbusiness.com](http://www.irisbusiness.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman of the Meeting or the person authorised by in writing. The results shall also be simultaneously communicated to the Stock Exchanges and displayed on the

Notice Board of the Company at the Registered Office at T-231, 3<sup>rd</sup> Floor, Tower 2, International Infotech Park, Vashi, Navi Mumbai – 400 703.

28. On receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM.
29. The Landmark and Route Map of the venue of the AGM are given on the reverse of the Attendance Slip cum Proxy Form annexed with the Annual Report 2023-24.
30. Attendance slip shall also be available for the Members at the venue of the Meeting.
31. Relevant documents referred to in the Notice, Register of Directors / Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Companies Act 2013 and Register of Contracts maintained under Section 189 of the Companies Act 2013 and other relevant registers are available for inspection by the members at the Registered Office of the Company during normal business hours from 10.00 a.m to 2.30 p.m on working days up to the date of the Annual General Meeting.

**DETAILS AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("SEBI LISTING REGULATIONS") AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, OF THE PERSONS SEEKING RE-APPOINTMENT UNDER ITEM NO. 2.**

Name of the Director	Mr. Puthenpurackal Kuncheria Xavier Thomas (P K X Thomas)
Age	59 years
DIN	9760233
Date of Birth	25.05.1964
Date of first appointment	November 11, 2022
Shareholding in the Company	-
Number of Board meeting(s) attended during the year 2023-24	7
Other Directorships/ membership of committee (Includes only Audit Committee and Stakeholders Relationship Committee)	Directorship – NIL Membership of Committee - NIL
Qualification, brief resume and experience	Mr. Thomas achieved first rank in the Master of Computer Applications (MCA) program from Kerala University at the College of Engineering, Trivandrum. An accomplished technocrat with about 30 years of deep understanding in eBusiness, he specializes in product, technology, and operations. He also brings in substantial experience in key areas of business and strategy.
Expertise in specific functional areas	Having expertise in e-Commerce, web-technologies & automation.
Listed entities from which person has resigned in last 3 years	NIL
Terms & Conditions of Appointment/ Re-appointment	Appointed as a Whole-time Director, liable to retire by rotation, for a period of 5 years effective from November 11, 2022. He shall be reappointed on the same terms and conditions, including a remuneration of ₹1,20,00,000 per annum as previously approved by shareholders. .
Relationship with other Directors /KMP	None

By order of the Board of Directors

**Santoshkumar Sharma**

Company Secretary & Compliance Officer  
(Membership No. ACS 35139)

Place: Navi Mumbai

Date: May 18, 2024

Registered Office: T-231, Tower 2, 3<sup>rd</sup> Floor, International Infotech Park, Vashi, Navi Mumbai - 400 703.

# BOARD'S REPORT

TO  
THE MEMBERS OF  
**IRIS BUSINESS SERVICES LIMITED**

Your Board of Directors ('Board') is pleased to present the Twenty-fourth (24<sup>th</sup>) Annual Report of your Company, for the financial year ended March 31, 2024.

## 1. SUMMARY OF OPERATIONS / RESULTS

(Amount in thousands – ₹)

Particulars	Standalone		Consolidated	
	FY 2024	FY 2023	FY 2024	FY 2023
Turnover	9,68,460	6,75,433	10,22,966	7,35,712
Other Income	6,286	12,110	6,593	13,322
Total Expenditure	8,78,832	6,41,948	9,27,440	6,97,016
Operating Profit (Loss)	95,914	45,595	1,02,119	52,018
Exceptional Items	-	-	-	-
Net Profit (Loss) before tax	95,914	45,595	1,02,119	52,018
Tax Expense				
Current Tax	24,500	8,822	25,619	9,004
Deferred Tax	(11,500)	-	(11,413)	166
Tax expense/(income) for earlier years		-	30	(3)
Profit (Loss) for the year	82,914	36,773	87,883	42,851

## 2. PERFORMANCE OF THE COMPANY

A smart pick up in revenues from the regulatory business (the 'Collect' segment), helped the Company post a 39% increase in operating revenues for the year under review. While the growth in the enterprises business (The 'Create' segment) in the year under review was more sedate, the Company was able to add a number of customers and further strengthen the offerings. The year under review also witnessed a marked improvement in profitability especially at the profit before tax level as the topline continued to improve.

### Highlights of financial results

(Amount in thousands – ₹)

Particulars	Standalone			Consolidated		
	FY 2024	FY 2023	% Increase/ (Decrease)	FY 2024	FY 2023	% Increase/ (Decrease)
Revenues	9,74,746	6,87,543	42%	10,29,559	7,49,034	37%
Revenues from operation	9,68,460	6,75,433	43%	10,22,966	7,35,712	39%
Revenues from export	6,83,545	3,98,055	72%	7,32,812	4,58,110	60%
Revenues from "Collect" segment	4,40,320	2,48,099	77%	4,58,356	2,68,833	70%
Revenues from "Create" segment	4,87,071	3,92,492	24%	5,23,534	4,32,037	21%
Revenues from "Consume" segment	41,070	34,842	18%	41,076	34,842	18%
Other income	6,286	12,110	-48%	6,593	13,322	-51%
Employee Costs	4,89,984	3,89,857	26%	5,12,959	4,07,966	26%
Finance Costs	11,036	9,785	13%	11,492	10,196	13%
Travel related expenses	35,795	21,303	68%	38,212	25,173	52%
Other Expenses	2,97,738	1,74,208	71%	3,19,558	2,06,602	55%
Depreciation and Amortization	44,279	46,792	-5%	45,219	47,080	-4%
Exceptional Items	-	-	-	-	-	-

### 3. STATE OF COMPANY AFFAIRS

Your Company is recognized as a key player in the global regulatory reporting solutions market, especially with respect to solutions built on the eXtensible Business Reporting Language ('XBRL') standard. We also occupy a distinct position in the market with product offerings across the information supply chain encompassing enterprises and regulators. The year under review saw a pick-up in both revenues and demand conditions from the regulator segment as a key project implementation got underway even as the Request for proposal ('RFP') pipeline improved. The enterprise segment of the business is well positioned to benefit from the tailwinds as companies move to a SaaS based digital reporting solution. Your Company's flagship product, IRIS CARBON® is also now offering a disclosure management product which will boost productivity and accuracy in building collaborative reports, particularly for the CFO's office. We are entering the Environmental, Social, and Governance ('ESG') reporting space as well, building on the strengths of the Company's customer base and adjacent software offerings and are confident of offering significant value to customers. In the tax technology space, the Company is looking at a foray outside the Indian market, with an entry into Malaysia. Our software to facilitate bank automated compliance data reporting, IRIS iDeal has expanded its footprint in the African markets as well. We continue to evangelize the XBRL reporting standard across the world with special focus on combining the financial and non-financial reporting requirements.

### 4. TRANSFER TO RESERVE

The Board has decided to retain the entire amount of profit for the financial year ended 2023-24 in the distributable retained earnings.

### 5. DIVIDEND AND TRANSFER TO IEPF

With a view to conserve resources, the Board has not recommended any dividend during the financial year ended 2023-24 and does not intend to recommend dividend for the financial year 2023-24.

The Company was not required to transfer any unpaid / unclaimed amount of dividend or any shares to Investor Education and Protection Fund during the financial year ended March 31, 2024.

### 6. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business during the financial year ended March 31, 2024.

### 7. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting your Company's financial position since the end of the Financial Year of the Company and date of this Report.

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

No significant or material order was passed during the period under review, by the Regulators or Courts or Tribunals bearing an impact on the going concern status and Company's operations in future.

### 9. RISK AND CONCERN

Your Company primarily operates in two distinct customer segments, one that comprises regulators and other being enterprises. Though both have separate characteristics, the common denominator continues to be that of intense competition. However, the Company's ability to offer integrated solutions is a unique feature that helps us to stand out.

The Collect segment has risks pertaining to execution where there could be substantial time creep or change in requirements that impact profitability. We also see regulators preferring large, omnibus RFPs where we can only bid for specific components and need to work with partners. We are also cognisant of enhancing our product suite to include additional analytical components in line with the market needs.

In the Create segment, deep pocketed competitors invest heavily in on the ground sales and marketing as well as in product features. However, we continue to hold on our own with frugal engineering practices and innovative solutions. We also see consolidation among players in certain markets that could affect the competitive dynamics. Developments in the area of artificial intelligence ('AI') is another aspect that could potentially impact product offerings in the segments that we operate. We are cognisant of this and are incorporating additional AI driven features in our solutions.

### 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. The Company has a risk management policy in place for the purpose of identification of all the major elements of risk, which in the opinion of the Board may threaten the existence of the Company.

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

- Securing critical resources including capital and human resources;
- Data Security;
- 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

During the financial year ended 2023-24, your Company has not accepted any deposits from the public falling within the purview of provisions of Section 73 of the Companies Act, 2013 ('the Act'), read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing of details of deposits and deposits which are not in compliance with Chapter V of the Act as required

under Rule 8 (5)(v) of the Companies (Accounts) Rules, 2014 is not applicable.

As on March 31, 2024, there were no deposits which were unclaimed and due for repayment.

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

Your Company had the following subsidiaries as on March 31, 2024:

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

None of the above companies ceased to be a subsidiary during the financial year ended 2023-24. The Company does not have any Joint Venture or Associate Company.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's Subsidiaries in Form AOC-1 is enclosed as "**Annexure – 1**" to this report. The consolidated financial statement of the Company forms part of this annual report.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate financial statements in respect of subsidiaries, are available on the website of the Company at <https://www.irisbusiness.com/investors/financials/>. Any Member, who is interested in obtaining a copy of the financial statements of subsidiary companies, may write to the Company Secretary at [cs@irisbusiness.com](mailto:cs@irisbusiness.com).

As on the financial year ended March 31, 2024, none of the subsidiaries of the Company was identified as "material subsidiary" within the meaning of Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**SEBI Listing Regulations**").

## 13. SHARE CAPITAL

Pursuant to the members approval at the Extra-ordinary General Meeting held on February 16, 2024, the authorized share capital of the Company increased from ₹25,00,00,000/- (Rupees Twenty-five crores only) divided into 2,50,00,000 (Two crores fifty lakh) Equity Shares of ₹10/- (Rupees Ten only) each to ₹32,00,00,000/- (Rupees Thirty-two crores only) divided into 3,20,00,000 (Three crores twenty lakh) Equity Shares of ₹10/- (Rupees Ten only) each.

However, there was no change in the paid-up share capital of the Company.

- i. Issue of Equity Shares with Differential Rights: The Company has not issued any Equity Shares with differential rights during the financial year ended March 31, 2024.

- ii. Issue of Sweat Equity Shares: The Company did not issue any Sweat Equity Shares during the financial year ended March 31, 2024.

## 14. EMPLOYEE STOCK OPTIONS SCHEME

The members of the Company approved IRIS Employee Stock Options Scheme, 2017 ("**Scheme**") at the Extra Ordinary General Meeting held on September 13, 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 Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**") as amended from time to time. Pursuant to members approval, the Nomination and Remuneration Committee of the Board granted Options to the eligible employee(s) under the Scheme. Further, the members 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.

The details of Scheme as required under Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and those under Regulation 14 read with Part F of Schedule – I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2014 ("**SEBI SBEB & SE Regulations**"), as amended, to the extent applicable are provided in "**Annexure – 2**" attached hereto. The said disclosure is also available on the Company's website at [https://www.irisbusiness.com/wp-content/uploads/2024/07/IRIS\\_Disclosure\\_under\\_SEBI\\_Share\\_Based\\_Employee\\_Benefits\\_Regulations\\_2021\\_for\\_2023-24.pdf](https://www.irisbusiness.com/wp-content/uploads/2024/07/IRIS_Disclosure_under_SEBI_Share_Based_Employee_Benefits_Regulations_2021_for_2023-24.pdf).

The Scheme is in compliance with the SEBI SBEB & SE Regulations. Further, there were no material change in the Scheme during the year. A certificate from M/s. Priti J. Sheth & Associates, Company Secretaries, Secretarial Auditors of the Company certifying that the ESOP Plan 2017 has been implemented in accordance with SEBI SBEB Regulations pursuant to the resolution(s) passed by the Shareholders, will be available for inspection at the venue of the ensuing Annual General Meeting. A copy of the same is also available on the Company's web-site at [https://www.irisbusiness.com/wp-content/uploads/2024/07/IRIS\\_Compliance\\_Certificate\\_on\\_ESOP\\_2017-2023-24.pdf](https://www.irisbusiness.com/wp-content/uploads/2024/07/IRIS_Compliance_Certificate_on_ESOP_2017-2023-24.pdf).

During the year ended March 31, 2024, the Company implemented a new employee stock option scheme, namely the 'IRIS Business Services Limited Employee Stock Option Scheme 2023' (hereinafter referred to as '**ESOP Scheme 2023**'). The Nomination and Remuneration Committee ("**NRC**" / also referred to as the '**Compensation Committee**') formulated the detailed terms and conditions of the Plan, which was duly approved by the Board of Directors at its meeting held on December 01, 2023, and subsequently by the Members of the Company by way of passing a Special resolution at their Extra-ordinary General Meeting held on February 16, 2024. The Company is in process of making an application to the Stock Exchanges where the Equity Shares of the

Company are listed for obtaining their in-principle approval for ESOP Scheme 2023.

Under ESOP Scheme 2023, the Company shall grant up to 9,75,000 (Nine Lakh Seventy-five Thousand) Employee Stock Options ('Options'), in one or more tranches, to such eligible employees of the Company as well as the employees of its group Company(ies), Associate Company(ies), Subsidiary Company(ies), whether in India or outside India or of a Holding Company as may be determined by the NRC in terms of the ESOP Scheme 2023, that would entitle the grantees (in aggregate) to subscribe to up to 9,75,000 (Nine Lakh Seventy-five Thousand) fully paid-up Equity Shares of ₹10/- (Rupees Ten only) each.

## 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 audits from time to time. The Audit Committee actively reviews the internal audit report, adequacy and effectiveness of the internal financial control and suggests improvements for the same.

## 16. DECLARATIONS GIVEN BY DIRECTORS

Your Company has received necessary declarations and disclosures from its Independent Directors under Section 149(7)

and Section 184(1) of the Act stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations and have disclosed their interest in the form MBP-1. All the Directors have certified that they are not disqualified under section 164 of the Act. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Act.

The Board of the Company has taken the disclosures on record after verifying the due veracity of the same.

In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfil the conditions of independence as specified in the Act and the SEBI Listing Regulations and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act. All the Independent Directors of the Company are also registered with the databank of Independent Directors as required under the provisions of the Companies Act, 2013.

The Directors and the senior management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel during the financial year ended 2023-24.

## 17. DIRECTORS AND KEY MANAGERIAL PERSONNEL AND COMPOSITION OF BOARD

The composition of Board of Directors of the Company as on March 31, 2024 is as follows:

Sr.	Name of Director	DIN	Category
1.	Mr. Swaminathan Subramaniam	01185930	Promoter, Whole Time Director & Chief Executive Officer ('CEO')
2.	Mr. Balachandran Krishnan	00080055	Promoter, Whole Time Director & Chief Financial Officer ('CFO')
3.	Ms. Deepta Rangarajan	00404072	Promoter, Whole Time Director
4.	Mr. Puthenpurackal Kuncheria Xavier Thomas	09760233	Whole Time Director & Chief Technology Officer ('CTO')
5.	Mr. Vinod Balmukand Agarwala	01725158	Chairman & Independent Director
6.	Mr. Ashok Venkatramani	02839145	Independent Director
7.	Mr. Bhaswar Mukherjee	01654539	Independent Director
8.	Mr. Haseeb A. Drabu	00489888	Independent Director

### Re-appointment of the Whole-time Directors

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 26, 2023 and the members of the Company at the Annual General Meeting of the Company held on August 14, 2023, approved the re-appointment of Mr. Swaminathan Subramaniam, (DIN: 01185930), Ms. Deepta Rangarajan, (DIN: 00404072) and Mr. Balachandran Krishnan, (DIN: 00080055) as the Whole-time Directors of the Company for a period of Three (03) years commencing from May 01, 2024.

### Retirement on Rotation

In accordance with the provisions of Section 152(6) of the Act and the Company's Articles of Association, Mr. Puthenpurackal

Kuncheria Xavier Thomas, (DIN: 09760233), Whole Time Director of the Company, being the longest in the office, retires by rotation at the forthcoming 24<sup>th</sup> Annual General Meeting, and being eligible, has offered himself for re-appointment.

### Key Managerial Personnel

As on date, Mr. Swaminathan Subramaniam, CEO, Mr. Balachandran Krishnan, CFO and Mr. Santoshkumar Sharma, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company.

Apart from the above, there was no other change in the composition of the Key Managerial Personnel during the financial year ended 2023-24.

## 18. BOARD AND COMMITTEE MEETING(S)

A total of 19 Board/Committee meetings were held during the financial year ended 2023-24 comprising of 7 Board meetings, 5 meetings of the Audit Committee, 3 meetings of the Nomination and Remuneration Committee, 1 meetings of the Stakeholders Relationship Committee, 2 meetings of the Risk Management Committee, 1 Independent Directors' meeting. Due to non-applicability of Corporate Social Responsibility ('CSR') under Section 135(1) of the Companies Act, 2013 for the financial year ended March 31, 2024, there was no requirement of a meeting of the CSR Committee during the financial year ended 2023-24.

The details of the Board Meetings and Committee Meetings with regard to the dates and attendance of each of the Directors/ Members thereat have been provided in the Corporate Governance Report.

### Committees of Board:

The Company has Seven (7) Board-level Committee(s), which have been established in compliance with the provisions of the Act and/ or SEBI Listing Regulations:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders Relationship Committee;
- Corporate Social Responsibility Committee;
- Risk Management Committee;
- Rights Issue Committee; and
- Business Responsibility and Sustainability Committee

Details of Committees along with their terms of reference, composition and attendance of Members at the meeting of the Committees are provided in the Corporate Governance Report.

### I. Audit Committee:

The Audit Committee was constituted by the Board, in accordance with the provisions of Section 177 of the Act read with Regulation 18 of SEBI Listing Regulations. During the financial year ended 2023-24, the Board accepted all the recommendations of the Audit Committee.

### II. Nomination and Remuneration Committee:

Pursuant to the provisions of Section 178 of the Act read with Regulation 19 of SEBI Listing Regulations, the Board constituted the Nomination and Remuneration Committee, which inter-alia recommends to the Board the criteria for appointment of Director(s) along with the compensation, terms of executive directors and senior managerial personnel.

The Board has approved the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and all other Employees of the Company. The said policy is hosted on the website of the Company. The web link of the same is as follows:

<https://www.irisbusiness.com/wp-content/uploads/2023/12/NRC-Policy.pdf>.

### III. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee has been duly constituted in accordance with the provisions Section 178 of the Act, read with Regulation 20 of SEBI Listing Regulations. The primary objective Stakeholders Relationship Committee of the Company is to consider and resolve the grievances of security holders/ members of the Company.

During the financial year ended 2023-24, there were no complaints/grievances received from the stakeholders.

### IV. Corporate Social Responsibility ('CSR') Committee:

The CSR Committee is duly constituted as per the provisions of Section 135 of the Act. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, the Corporate Social Responsibility Policy ('CSR Policy') indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

The key philosophy of the Company's CSR initiative is to promote development through social and economic transformation. The CSR Policy of the Company can be accessed on the Company's website at the link provided herein below: <https://www.irisbusiness.com/wp-content/uploads/2023/12/CSR-Policy-2.pdf>.

### V. Risk Management Committee:

The Board of your Company voluntarily constituted the Risk Management Committee ('RMC') of the Board for the purpose of internal administration.

### VI. Rights Issue Committee:

The Board of Directors at their meeting held on January 29, 2022, approved the raising of funds by way of offer and issue of Equity Shares of the Company on a right basis ('Rights Issue') up to ₹32.00 Crore and accordingly constituted a Rights Issue Committee. There was no meeting of Rights Issue Committee during the financial year ended 2023-24.

### VII. Business Responsibility and Sustainability Committee:

The Board of Directors at their meeting held on February 13, 2023 constituted the Business Responsibility and Sustainability Committee on voluntarily basis. Though not mandated under SEBI Listing Regulations, the said committee was constituted voluntarily with an aim to help the business in demonstrating the structure, policies and processes as set in the principles and core elements of the National Guidelines on Responsible Business Conduct ('NGRBC').

## 19. COMPLIANCE WITH SECRETARIAL STANDARD

The Company has complied with the Secretarial Standards ('SS') i.e., SS-1 and SS-2 issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings respectively during the financial year ended 2023-24.

## 20. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were in the ordinary course of the business, on an arm's length basis and in accordance with the Policy on Related Party Transactions formulated and adopted by the Company. The Company did not enter into material contracts or arrangements or transactions with related parties in accordance with Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. The details of the transactions as per section 188 of the Companies Act, 2013 and rules framed thereunder is enclosed as "Annexure – 3" in Form AOC-2, as required under Rule 8(2) of Companies (Accounts) Rules, 2014.

The Related Party Transactions were placed before the Audit Committee for prior approval, as required under applicable law. Only those members of the Audit Committee who were Independent Directors approved the same.

Prior omnibus approval of the Audit Committee was also obtained for the transactions which were repetitive in nature. A statement of all Related Party Transactions was placed before the Audit Committee for its review on a quarterly basis, specifying the nature and value of the transactions.

The Board of Directors on the recommendations of the Audit Committee, approved the revised "Policy on Related Party Transactions" on March 26, 2022 to align with the amendments notified by the SEBI. The Policy on Related Party Transactions is available on the website of the Company at <https://www.irisbusiness.com/wp-content/uploads/2024/05/Policy-on-Related-Party-Transactions.pdf>.

The particulars of contracts or arrangements entered into with the related party are set out in Note 27 to the Standalone Financial Statements of the Company forming part of the Annual Report.

The Company in terms of Regulation 23 of the SEBI Listing Regulations submits within the stipulated time from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions to the stock exchanges, in the format specified in the relevant accounting standards and SEBI.

## 21. PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as "Annexure – 4".

The information required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014, including amendment thereto, is provided in the "Annexure – 4" forming part of the Report.

## 22. ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, Committees and individual Directors, pursuant to the provisions of the Act and SEBI Listing Regulations.

The Nomination & Remuneration Committee ('NRC') has defined the evaluation criteria for the performance evaluation of individual Directors, the Board and its Committees.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as structure of the Board, meetings and functions of the Board, degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and the Management, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as mandate and composition, effectiveness of the Committees, structure of the Committees and meetings, independence of the Committees from the Board, contribution to decisions of the Board, effectiveness of the meetings and quality of relationship of the Committees with the Board and the Management, etc.

The Board and the NRC reviewed the performance of the individual Directors on the basis of the criteria such as knowledge and competency, fulfilment of functions, ability to function as a team, initiatives taken, availability and attendance at the meeting, integrity, independence, contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings etc. In addition, the performance of the Chairman was also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer the meetings, impartiality, ability to keep shareholders' interests in mind and motivating and providing guidance to the Executive Directors etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which 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 board 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.

The NRC Policy including the criteria of annual evaluation of board, committees and individual directors are available on the Company's website <https://www.irisbusiness.com/wp-content/uploads/2023/12/NRC-Policy.pdf>.

## 23. COMPANY'S POLICY OF APPOINTMENT OF DIRECTOR'S AND KEY MANAGERIAL PERSONNEL

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.

The policy is available on the Company's website at <https://www.irisbusiness.com/wp-content/uploads/2023/12/NRC-Policy.pdf>.

## 24. 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 – 5" to this report.

## 25. STATUTORY AUDITORS

M/s. KKC & Associates LLP, Chartered Accountants, (ICAI Firm Registration No. 105146W/W100621) were appointed as the Statutory Auditors of the Company by the members of the Company at the Twentieth Annual General Meeting ('AGM') of the Company held on August 14, 2020 to hold office upto the conclusion of the Twenty-fifth AGM. They have confirmed that they are not disqualified from continuing as the Statutory Auditors of the Company.

The Auditors' Report on the Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 2023-24, "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 on financial statements of the Company for the year ended March 31, 2024 does not contain any qualifications, reservations or adverse remarks.

## 26. SECRETARIAL AUDITORS

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, M/s. Priti J. Sheth & Associates, Company Secretary,

Mumbai, (Membership No. FCS 6833, C.P. No. 5518) was appointed as a Secretarial Auditor of the Company to undertake the Secretarial Audit of the Company for Financial Year 2023-24. The report does not contain any qualification, reservation or adverse remark for the reporting year. The report issued by the Secretarial Auditor is enclosed as "Annexure – 6".

The requirement of conducting Secretarial Audit was not applicable to any of the subsidiaries of the Company during the financial year ended 2023-24.

In pursuance to the SEBI Circular no. CIR/CFD/CMD1/27/2019 dated February 08, 2019 issued by the Securities and Exchange Board of India with respect to the Annual Secretarial Compliance Report is enclosed as "Annexure – 6A".

Further, the Board of Directors at their meeting held on May 18, 2024 have appointed M/s. Priti J. Sheth & Associates, Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2024-25.

## 27. INTERNAL AUDITORS

In terms of Section 138 of the Companies Act, 2013 and Rules made there under, M/s. M.P. Chitale & Co., Chartered Accountants, Mumbai, were appointed as Internal Auditors of the Company to undertake the Internal Audit of the Company for Financial Year 2023-24. 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.

Further, the Board of Directors at their meeting held on May 18, 2024 have appointed M/s. M.P. Chitale & Co., Chartered Accountants, Mumbai for conducting Internal Audit of the Company for the financial year 2024-25.

## 28. COST AUDITOR

The Company was not required to appoint any Cost Auditor or maintain Cost Audit Records pursuant to the requirements provided in Section 148 of the Act during the financial year ended 2023-24.

## 29. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with the Companies (Management and Administration) Rules, 2014 of the Act, the Annual Return of the Company for the financial year March 31, 2024 in Form MGT-7 is made available on the website of the Company at [https://www.irisbusiness.com/wp-content/uploads/2024/07/IRIS\\_Annual\\_Returns-2023-24.pdf](https://www.irisbusiness.com/wp-content/uploads/2024/07/IRIS_Annual_Returns-2023-24.pdf).

## 30. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company did not granted any loans, guarantees nor made any investments under the provisions of Section 186 of the Companies Act, 2013 during the financial year ended 2023-24.

### 31. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews undertaken by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year ended March 31, 2024.

Accordingly, pursuant to Section 134(3)(c) and 134(5) of the Act, the Board of Directors, to the best of their information and knowledge, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- the Directors have 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 year;
- the Directors have 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;
- the annual accounts have been prepared on a going concern basis;
- internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 32. 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 458 permanent employees as on March 31, 2024 against 396 permanent employees as on March 31, 2023.

### 33. CORPORATE GOVERNANCE

A separate section on Corporate Governance is enclosed as 'Annexure-7' along with the certificate from the M/s. Priti J. Sheth & Associates, Company Secretaries confirming compliance with conditions on Corporate Governance as stipulated under Schedule V of the SEBI Listing Regulations as on March 31, 2024.

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

Your Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, to provide protection to employees at the workplace and for prevention and redressal of complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee to consider and to redress complaints of sexual harassment. During the financial year ended 2023-24, the Company did not receive any complaint under the Policy for Prevention of Sexual Harassment of the Company. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed of during the financial year ended 2023-24:

Sr No.	Particulars	Remarks
1	No of complaints at the beginning of the year	Nil
2	No. of complaints filed during the financial year ended 2023-24	Nil
3	No. of complaints disposed off during the financial year ended 2023-24	NA
4	No. of complaints pending as on March 31, 2024	Nil

### 35. REPORTING OF FRAUDS BY AUDITORS

During the financial year ended 2023-24, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

### 36. WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company has Whistle Blower Policy /Vigil Mechanism Policy for the Company to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct. Functioning of the Whistle Blower Policy is reviewed by the Audit Committee / Board on periodical basis. During the financial year ended March 31, 2024, the Company has not received any complaint under the Whistle Blower Policy of the Company.

The Whistle Blower Policy has been appropriately communicated within the Company across all levels and is available on the website of the Company at <https://www.irisbusiness.com/wp-content/uploads/2023/02/Vigil-Mechanism-Policy.pdf>.

### 37. CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the members of the Board of Directors and Senior

Management Personnel. All the Directors and Senior Management Personnel have affirmed their adherence to the provisions of the Code of Conduct during the financial year 2023-24. The declaration to this effect signed by Mr. Swaminathan Subramaniam, Whole Time Director & CEO is enclosed to the Corporate Governance report as “Annexure – 7B”.

### 38. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of provisions of Regulation 34(2)(e) of SEBI Listing Regulations, a Management Discussion & Analysis Report for the financial year ended March 31, 2024 has been separately furnished in the Annual Report.

### 39. POLICIES AND DISCLOSURE REQUIREMENTS

In terms of provisions of the Act and provisions of the SEBI Listing Regulations, the Company has adopted the following Policies. The policies are available on Company's website <https://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 and Whistle-Blower 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');
- IRIS Business Services Limited Employee Stock Option Plan 2023;
- IRIS Business Services Limited Employee Stock Option Plan 2017.

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

### 40. LAUNCH OF 'SWAYAM'

The Company's RTA i.e Link Intime India Private Limited, has launched 'Swayam' new Investor Self-Service Portal, designed

exclusively for the Investors serviced by Link Intime India Private Ltd.

'SWAYAM' is a secure, user-friendly web-based application, developed by "Link Intime India Pvt Ltd.", our Registrar and Share Transfer Agents, that empowers shareholders to effortlessly access various services. We request you to get registered and have first-hand experience of the portal.

This application can be accessed at <https://swayam.linkintime.co.in>.

- a. Effective Resolution of Service Request -Generate and Track Service Requests/Complaints through SWAYAM.
- b. Features - A user-friendly GUI.
- c. Track Corporate Actions like Dividend/Interest/Bonus/split.
- d. PAN-based investments - Provides access to PAN linked accounts, Company wise holdings and security valuations.
- e. Effortlessly Raise request for Unpaid Amounts.
- f. Self-service portal – for securities held in demat mode and physical securities, whose folios are KYC compliant.
- g. Statements - View entire holdings and status of corporate benefits.
- h. Two-factor authentication (2FA) at Login - Enhances security for investors.

### 41. GENERAL

The Board of Directors confirm that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the financial year 2023-24:

1. Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
2. Issue of sweat Equity Shares;
3. Revision made to the financial statements for any of the three financial years preceding the financial year ended 2023-24;
4. non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;
5. application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year;
6. difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

## 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 members, clients, bankers and all other business associates. The Company looks forward to continued support of all these partners in progress.

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

**Swaminathan Subramaniam**

Whole Time Director & CEO  
(DIN: 01185930)

**Deepta Rangarajan**

Whole Time Director  
(DIN: 00404072)

**Balachandran Krishnan**

Whole Time Director & CFO  
(DIN: 00080055)

Date: May 18, 2024

Place: Navi Mumbai

## Annexure - 1

# FORM AOC-1

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

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

#### Part – A - Subsidiaries

(Amount in thousands - ₹)

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 formed/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)	01.04.2023 to 31.03.2024	01.04. 2023 to 31.03.2024	01.04. 2023 to 31.03.2024	01.04. 2023 to 31.03.2024
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD	SGD	EURO	INR
	BS - 83.35	BS - 61.79	BS - 89.97	
	P&L - 82.73	P&L - 61.60	P&L - 89.87	
Share Capital	14,539.88	11,382.04	712.00	1,490.00
Reserves and Surplus	(22,950.87)	(3,784.08)	(717.77)	2,385.44
Total Assets	50,456.81	21,582.08	585.54	8,777.42
Total Liabilities	58,867.80	13,984.12	591.31	4,901.98
Investments	-	-	-	-
Turnover	65,254.45	28,396.76	0.01	8,255.29
Profit/Loss before taxation	2,341.22	1,305.77	(109.64)	2,642.33
Provision for taxation	380.56	108.36	-	747.16
Profit/Loss after taxation	1,960.66	1,197.41	(109.64)	1,895.17
Proposed Dividend	-	-	-	-
Extent of shareholding (in percentage)	100.00%	98.36%	100.00%	51.00%

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 Associate or Joint Ventures companies.

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

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

**Deepta Rangarajan**  
Whole Time Director  
(DIN: 00404072)

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

Date: May 18, 2024  
Place: Navi Mumbai

## Annexure - 2

## DETAILS OF IRIS EMPLOYEES STOCK OPTION SCHEME

Disclosures pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the financial year ended March 31, 2024.

Sr. No.	Particulars	ESOP 2017	ESOP 2023
A.	Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.
B.	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.	Diluted EPS on Consolidated basis for the year ended March 31, 2024, is ₹ 4.46 and on Standalone basis is ₹ 4.25.	Diluted EPS on Consolidated basis for the year ended March 31, 2024, is ₹ 4.46 and on Standalone basis is ₹ 4.25.
C.	<b>Details related to ESOP</b>		
	i. A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP, including -		
	a. Date of shareholders' approval	September 13, 2017	February 16, 2024
	b. Total number of options approved under ESOP	7,00,000	9,75,000
	c. 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.	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.
	d. 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.	The Exercise Price per Option shall be determined by the Nomination and Remuneration Committee as allowed under the SBEB Regulations as and when applicable to the Company which shall in no case be lesser than the face value of the Equity Shares.

Sr. No.	Particulars	ESOP 2017	ESOP 2023
	e. Maximum term of options granted	All the Options granted on any date shall vest not later than the maximum period of 4 (Four) years from the date of grant.  Further, Exercise period would commence from the date of vesting and will expire on completion of 5 (Five) years from the date of respective vesting.	All the Options granted on any date shall vest not later than the maximum period of 4 (Four) years from the date of grant.  Further, Exercise period would commence from the date of vesting and will expire on completion of 5 (Five) years from the date of respective vesting.
	f. Source of shares (primary, secondary or combination)	Primary - Fresh Equity Shares shall be issued by the Company on exercise of the options by the Grantee.	Primary - Fresh Equity Shares shall be issued by the Company on exercise of the options by the Grantee.
	g. Variation in terms of options	During financial year 2023-24, there was no amendment/ modification/ variation in the Scheme.	During financial year 2023-24, there was no amendment/ modification/ variation in the Scheme.
	ii. Method used to account for ESOP - Intrinsic or fair value	The Company uses the Fair Value-based method of accounting for stock options granted.	The Company uses the Fair Value-based method of accounting for stock options granted.
	iii. 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.	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.
	iv. Option movement during the year (for each ESOP).	Annexure - 2A	Annexure - 2A
	v. 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.	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.
	vi. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -		
	a. Senior Managerial personnel as defined under Regulations 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;	None	Not Applicable

Sr. No.	Particulars	ESOP 2017	ESOP 2023
	b. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	None	Not Applicable
	c. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None	Not Applicable
	vii. 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;	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.	The Company is in process of making an application to the Stock Exchanges where the Equity Shares of the Company are listed for obtaining their in-principle approval for ESOP Scheme 2023. Hence, no grants have been made by NRC under the said Scheme during the financial year ended 2023-24.
	b. the method used and the assumptions made to incorporate the effects of expected early exercise;	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.	Not Applicable
	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 therefore no history of share price trading, expected volatility had been derived from historic values NSE index as on the Grant date.	Not Applicable
	d. whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Not Applicable	Not Applicable
D.	Disclosures in respect of grants made in three years prior to IPO under each ESOP.	Not Applicable	Not Applicable
E.	Details related to ESPS	Not Applicable	Not Applicable
F.	Details related to SAR	Not Applicable	Not Applicable
G.	Details related to GEBS / RBS	Not Applicable	Not Applicable
H.	Details related to Trust	Not Applicable	Not Applicable

## Annexure – 2A

Option movement during the year (For each ESOS)

Particulars	ESOP 2017	ESOP 2023
Number of options outstanding at the beginning of the period	2,14,000	*NIL
Number of options granted during the year	NIL	NIL
Number of options forfeited / lapsed during the year	NIL	NIL
Number of options vested during the year (excluding lapsed options which were vested, due to resignation of employee)	2,14,000	NIL
Number of options exercised during the year	NIL	NIL
Number of shares arising as a result of exercise of options	NIL	NIL
Money realized by exercise of options (RS), if scheme is implemented directly by the company	NIL	NIL
Loan repaid by the Trust during the year from exercise price received	Not Applicable	Not Applicable
Number of options outstanding at the end of the year	2,14,000	9,75,000
Number of options exercisable at the end of the year	2,14,000	NIL

\* The Company is in process of making an application to the Stock Exchanges where the Equity Shares of the Company are listed for obtaining their in-principle approval for ESOP Scheme 2023. Hence, no grants have been made by NRC under the said Scheme during financial year 2023-24.

A copy of the above two schemes are available on Company's web-site at <https://www.irisbusiness.com/investors/policies/>.

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

**Swaminathan Subramaniam**

Whole Time Director & CEO  
(DIN: 01185930)

Date : May 18, 2024

Place : Navi Mumbai

**Deepta Rangarajan**

Whole Time Director  
(DIN: 00404072)

**Balachandran Krishnan**

Whole Time Director & CFO  
(DIN: 00080055)

## Annexure - 3

## FORM 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.	Particular	Details
1.	Name(s) of the related party & nature of relationship	NONE
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 material contracts or arrangements or transactions at Arm's length basis. (Amount in thousands - ₹)

Sr.	Particulars	Details							
1.	Name(s) of the related party & nature of relationship	Atanou S.r.l.	IRIS Business Services, LLC	IRIS Knowledge Foundation		IRIS Business Services (Asia) Pte Ltd		FinX Solutions	IRIS Logix Solutions Private Limited
2.	Nature of contracts / arrangements / transaction	Provide Computer Software and XBRL Services	Providing software product & related services along with marketing support	Rental Income / Provide technology supported services	Donation	Providing software product & related services along with marketing support	Avail marketing, support services for building business	Provide Computer Software services.	Providing service of software development/ Providing infrastructure hosting service
3.	Duration of the transaction	Financial Year 2023-24							
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Ordinary Course of Business and on Arm's length basis.	Ordinary Course of Business and on Arm's length basis.	Ordinary Course of Business and on Arm's length basis.	Ordinary Course of Business and on Arm's length basis.	Ordinary Course of Business and on Arm's length basis.	Ordinary Course of Business and on Arm's length basis.	Ordinary Course of Business and on Arm's length basis.	Ordinary Course of Business and on Arm's length basis.
5.	Value of transaction	-	33,771.54	-	-	10,353.39	-	2,598.50	2,967.38
6.	Investment in the Subsidiary	Nil	Nil	-	-	Nil	Nil	-	Nil
7.	Date of approval by the Board	March 21, 2023							
8.	Amount paid as advances, if any	Nil							

There were no material related party transactions during the financial year 2023-24 with related parties.

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

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

**Deepta Rangarajan**  
Whole Time Director  
(DIN: 00404072)

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

Date: May 18, 2024  
Place : Navi Mumbai

## Annexure – 4

## DETAILS OF THE REMUNERATION OF DIRECTORS, KMP AND EMPLOYEES

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 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 2023-24, ratio of the remuneration of each Director to the of the employees of the Company for the Financial Year 2023-24 are as under:

(Amount in Thousands - ₹)

Sr. No.	Name of Director / Key Managerial Personnel (KMP) and Designation	Remuneration of Director/ KMP for Financial Year 2023-24 *	% increase in Remuneration in the Financial Year 2023-24	Ratio of Remuneration of each Director to median remuneration of employees*
1	Mr. Swaminathan Subramaniam, Whole Time Director & CEO	4500	0	6.44:1
2	Ms. Deepta Rangarajan, Whole Time Director	4500	0	6.44:1
3	Mr. Balachandran Krishnan, Whole Time Director & CFO	4500	0	6.44:1
4	Mr. Puthenpurackal Kuncheria Xavier Thomas, Whole Time Director & CTO	12000	0	17.18:1
5	Mr. Vinod Agarwala, Chairman & Independent Director	345	0	-
6	Mr. Ashok Venkatramani, Independent Director	295	0	-
7	Mr. Bhaswar Mukherjee, Independent Director	390	0	-
8	Mr. Haseeb Drabu, Independent Director	255	0	-
9	Mr. Santoshkumar, Company Secretary & Compliance Officer	1633	10	2.34:1

\* The Independent Directors of the Company viz. Mr. Vinod Agarwala, Mr. Ashok Venkatramani, Mr. Bhaswar Mukherjee and Mr. Haseeb Drabu are not entitled to any remuneration other than sitting fees for attending the meetings of the Board and its Committee(s).

The percentage increase in the median remuneration of employees in the financial year ended March 31, 2024:

The median remuneration of employees of the Company for the Financial Year 2023-24 was ₹698 thousand (as on March 31, 2024). For the financial year ended 2023-24, the median remuneration of employees was 2.04% higher as compared to the previous year.

- 1) The number of permanent employees on the rolls of the Company:

There were 458 permanent employees on the Payroll of the Company as on March 31, 2024 as compared to 396 employees as on March 31, 2023.

- 2) 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 9.44%. There was no increase in the managerial remuneration during the financial year other than mentioned above.

- 3) Affirmation that the Remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the Remuneration to the employees, Key Managerial Personnel and Directors of the Company has been paid as per the Remuneration Policy of the Company.

- 4) 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: Yes – Mr. Puthenpurackal Kuncheria Xavier Thomas, Whole-time Director CTC – ₹1,20,00,000. Other details form part of this report.
- (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 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.

The statement containing names of employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary at [cs@irisbusiness.com](mailto:cs@irisbusiness.com).

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

**Swaminathan Subramaniam**

Whole Time Director & CEO  
(DIN: 01185930)

**Deepta Rangarajan**

Whole Time Director  
(DIN: 00404072)

**Balachandran Krishnan**

Whole Time Director & CFO  
(DIN: 00080055)

Date: May 18, 2024

Place : Navi Mumbai

## Annexure – 5

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

- (A) Conservation of energy
- i. The steps taken or impact on conservation of energy: Since the Company is not engaged in any manufacturing activity, the consumption of energy is relatively low. The Company takes reasonable steps to ensure conservation energy at its offices.
  - ii. The steps taken by the company for utilizing alternates source of energy: NIL
  - iii. The capital investment on energy conservation equipments: NIL
- (B) Technology absorption
- i. The efforts made towards technology absorption:
    - (a) The Company primarily uses cloud-based technologies and a virtualized environment for internal development activities.
    - (b) The Company's key products IRIS CARBON® and IRIS GST are on cloud-based technologies. The Company also focuses 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 International Monetary Fund ('IMF'). The Company is also increasingly looking at Artificial intelligence ('AI') based technologies to enhance our product suite, especially in the 'Create' segment.
  - ii. The benefits derived like product improvement, cost reduction, product development or import substitution: Adoption of cloud-based technologies gives significant advantages in terms of user experience as well as operational and cost efficiencies. The Application programming interface ('API') based technologies, the Company has invested in, helps in building products that are in the sync with the emerging eco-system and is a source of competitive advantage. Investment in SDMX technologies will help the Company to expand its array of offerings.
  - iii. In case of imported technology (imported during last three years reckoned from beginning of financial year):
    - (a) Details of technology imported: Nil
    - (b) Year of Import: Nil
    - (c) Whether technology has been fully absorbed: Nil
    - (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof: Nil
  - iv. The expenditure incurred on Research and Development: Capital expenditure on the development of IRIS Noah, IRIS Bushchat, IRIS ASAP, IRIS WATCH and IRIS GST Malaysia e-invoicing Platform during the year 2023-24 is ₹18,865 thousand. As a percentage of total revenue: 1.95% on a standalone basis.
- (C) Foreign exchange earnings and outgo
- i. The Earnings in foreign Exchange during the financial year 2023-24: ₹6,83,545 thousands.
  - ii. The outgo in foreign exchange during the financial year 2023-24: ₹1,38,749 thousands.

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

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

**Deepta Rangarajan**  
Whole Time Director  
(DIN: 00404072)

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

Date: May 18, 2024  
Place : Navi Mumbai

## Annexure – 6

### Form MR-3

# SECRETARIAL AUDIT REPORT

[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**

I 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 referred to as '**the Company**'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March, 2024 according to the provisions of:

1. The Companies Act, 2013 ('**the Act**') and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
3. The Depositories Act, 2018 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021; (Not applicable to the Company during 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 Audit period)
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during Audit period)
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during Audit period)
6. We further report that, based on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the following laws, regulations, directions, orders are applicable specifically to the Company:
  - a) 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.
  - b) Information Technology Act, 2000
  - c) Trademarks Act, 1999
  - d) Patents Act, 1970 as amended from time to time.
  - e) Copyright Act, 1957

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Acts, rules, regulations, guidelines, standards etc. mentioned above.

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

I further report that:

- The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Non- Executive Independent Directors
- The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were

sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- As per the minutes, the decisions at Board & Committee Meetings were carried out unanimously.

**I further report that:**

As confirmed by the Management, 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.

**I further report that during the audit period:**

There were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **Priti J. Sheth & Associates**  
Company Secretaries

**Priti J Sheth**

CP No: 5518

FCS: 6833

UDIN: F006833F000391272

Peer Review No : 1888/2022

Date: May 18, 2024

Place: Kiel

## Annexure to the Secretarial Audit Report

To,  
The Members,  
**IRIS BUSINESS SERVICES LIMITED**  
CIN: L72900MH2000PLC128943

Our Secretarial Audit Report dated May 18, 2024 is to be read along with this letter.

Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to make a report based on the secretarial records produced for our audit.

We have followed the audit practices and processes 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 processes and practices we followed provide a reasonable basis for our report.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.

We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.

Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

This 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 **Priti J. Sheth & Associates**  
Company Secretaries

**Priti J Sheth**

CP No: 5518

FCS: 6833

UDIN: F006833F000391272

Peer Review No : 1888/2022

Date: May 18, 2024

Place: Kiel



(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Compliance Requirement (Regulations/ circulars/ guidelines including Specific clause)	Intimation about the meeting of the board of directors for considering financial results should be given at least 5 days in advance as per Regulation 29 (2)/29 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
Regulation / Circular No.	Regulation 29 (2)/29 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
Deviation	Prior intimation about the meeting of the board of directors for the meeting held on November 13, 2021 for considering financial results was given on November 8, 2021.
Action Taken by	BSE Limited.
Type of Action	Fine of ₹11,800/- levied on December 14, 2021.
Details of Violation	Delay in furnishing prior intimation about the meeting of the board of directors for the meeting held on November 13, 2021 for financial results required under Regulation 29 (2)/29 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
Fine Amount	₹11,800/-
Observations/ Remarks of the Practicing Company Secretary	The Company had made a representation to BSE for waiver of said fine. BSE vide its email dated 19.05.2022, declined the request for the said waiver to which the Company has again made its representation.
Management Response	BSE response awaited.
Remarks	

In Addition to the abovementioned regulations /circulars the following affirmations are being provided hereunder:

S No	Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS*
1.	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	
2.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations/circulars/guidelines issued by SEBI.</li> </ul>	Yes	
3.	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website.</li> <li>Timely dissemination of the documents/ information under a separate section on the website.</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website.</li> </ul>	Yes	
4.	<b>Disqualification of Director:</b> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013.	Yes	

S No	Particulars	Compliance status (Yes/No/NA)	Observations / Remarks by PCS*
5.	To examine details related to Subsidiaries of listed entities:		Company does not have material subsidiaries
	(a) Identification of material subsidiary companies.	NA	
	(b) Requirements with respect to disclosure of material as well as other subsidiaries.	Yes	
6.	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7.	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	
8.	<b>Related Party Transactions:</b> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions  In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the Audit committee.	Yes  NA	
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	
12.	<b>Additional Non-compliances, if any:</b> No any additional non-compliance observed for all SEBI regulation/circular/ guidance note etc.	Yes	

For **Priti J. Sheth & Associates**  
Company Secretaries

**Priti J Sheth**  
**Proprietor**  
CP No: 5518  
FCS: 6833

Date: May 18, 2024  
Place: Kiel

UDIN: F006833F000392020  
Peer Review No : 1888/2022

## Annexure – 7

## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2023-24

[As required under Schedule V(C) of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

## 1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to good Corporate Governance and as a part of its growth strategy, it places high importance on strengthening and further developing Corporate Governance initiatives. Our Corporate Governance framework not only ensures that we make timely disclosures and share relevant information regarding our financials and performance, but also disclose important information related to the leadership and governance of the Company. For the Company, Corporate Governance is not just adherence to the Statutory & Regulatory requirements but is equally about focusing on voluntary practices that underline the highest levels of transparency & propriety.

The Management's philosophy on corporate governance is aimed at conducting business in an ethical and professional manner and to enhance confidence of all stakeholders, viz.; shareholders, investors, brand partners, customers and clients, employees, regulatory bodies and public in general, since we believe that adhering to the best Corporate Governance practice is essential to achieve long term corporate goals and enhance shareholder value. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. The Company's philosophy on Corporate Governance oversees business strategies and ensures accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

## 2. BOARD OF DIRECTORS

The Board of Directors ('Board') is entrusted with the ultimate responsibility for the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. Your Company believes that an active, diverse, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. The Board is at the core of our corporate governance practices. Driven by the principles of ethics and accountability, the Board strives to work in best interest of the Company and its stakeholders. It provides strategic direction, leadership and guidance to the Company's management and also monitors the performance of the Company with the objectives of creating long term value for the Company's stakeholders.

### a. Composition of the Board

We acknowledge the importance of diversity in the Boardroom as a driver of effectiveness. For the Board, diversity encompasses difference in perspective,

experience, education, ethnicity, gender and other personal attributes. The Board represents an appropriate composition of Executive and Non- Executive Directors, including Independent Directors, which is in compliance with the Companies Act, 2013 ('the Act') and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Pursuant to Section 149(4) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI Listing Regulations, the Company has a balanced Board, comprising of Executive and Non- Executive Directors which includes independent professionals with rich experience and expertise from diverse backgrounds relevant to the Company's business requirements, who have long standing experience and expertise in their respective fields.

As on March 31, 2024, the Company's Board comprised of Four (4) Executive Directors (50%) and Four (4) Non-Executive Independent Directors (50%). The Chairperson of the Company is a Non-Executive Independent Director.

The required information, including information as enumerated in Regulation 17(7) read with Part A of Schedule II of the SEBI Listing Regulations, is made available to the Board of Directors, for discussion and consideration at Board Meetings.

Pursuant to Regulation 27(2) of the SEBI Listing Regulations, the Company also submits a quarterly compliance report on Corporate Governance to the Stock Exchanges, within 21 days from the close of every quarter.

### b. Compliance with Directorship limits

All the Directors have made necessary disclosures regarding their directorships/memberships and other interests as required under Section 184 of the Act. None of the Directors of your Company is a Director in more than twenty (20) Companies (including ten public Companies) or acts as an Independent Director in more than seven (7) Listed Companies, or three (3) Listed Companies in case he/she serves as a Whole-time Director in any Listed Company. All Non-Independent Directors on the Board are liable to retire by rotation.

### c. Compliance with Committee positions

Disclosures have been made by the Directors regarding their Chairmanships/ Memberships of mandatory Committees of the Board and the same are within the

permissible limits as stipulated under Regulation 26(1) of the SEBI Listing Regulations. Accordingly, none of the Directors on the Board of your Company is a member of more than ten (10) Committees or Chairperson of more than five (5) Committees, across all Public Limited Companies in which he/she is a Director.

#### d. Declaration from Independent Directors

All the Independent Directors on the Board of your Company have confirmed that they meet the criteria of independence as mentioned in Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act and they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Board has carried out an assessment of declarations and confirmations submitted by the Independent Directors of the Company and after undertaking due assessment of the veracity of the same, is of the opinion that the Independent Directors are independent of the Company's management and they fulfil the conditions specified in the SEBI Listing Regulations and the Act.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs.

#### e. Composition and Details of other Directorships & Committee memberships / chairmanships

The composition of the Board and other relevant details relating to Directors as on March 31, 2024 is given below:

Name of the Director	Category	DIN	No. of Directorship of Other Public Limited Companies@	No. of Committee Positions held of other Public Limited Companies#		Directorship in other listed entities (category of directorship)	
				Chairperson	Member	Directorship in other listed entities	Type of Directorship
Mr. Swaminathan Subramaniam	Promoter, Whole Time Director & Chief Executive Officer	01185930	1	-	-	-	-
Mr. Balachandran Krishnan	Promoter, Whole Time Director & Chief Financial Officer	00080055	1	-	1	-	-
Ms. Deepta Rangarajan	Promoter, Whole Time Director	00404072	-	-	-	-	-
Mr. Puthenpurackal Kuncheria Xavier Thomas	Whole Time Director & Chief Technology Officer	09760233	-	-	-	-	-
Mr. Vinod Balmukand Agarwala	Non-Executive Independent Director – Chairman	01725158	4	2	5	Technocraft Industries (India) Limited	Non- Executive Independent Director
						GTL Infrastructure Ltd	
						Supreme Infrastructure India Limited	
						West Coast Paper Mills Ltd	
Mr. Ashok Venkatramani	Non-Executive Independent Director	02839145	-	-	-	-	-
Mr. Bhaswar Mukherjee	Non-Executive Independent Director	01654539	2	2	2	GP Petroleum Limited	Non- Executive Independent Director
Mr. Haseeb A. Drabu	Non-Executive Independent Director	00489888	2	-	-	Aspira Pathlab & Diagnostics Limited	Non- Executive Independent Director

@Excludes Private Limited Companies, Foreign Companies, Companies registered under Section 8 of the Act.

#Committees considered as per Regulation 26 of SEBI Listing Regulations i.e. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies excluding that of your Company. Committee Membership(s) includes Chairmanship(s).

During the year under review, none of the Independent Director of the Company had resigned before the expiry of their respective tenure(s).

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their respective meetings held on May 26, 2023 had approved the re-appointment of Mr. Swaminathan Subramaniam, (DIN: 01185930), Ms. Deepta Rangarajan, (DIN: 00404072) and Mr. Balachandran Krishnan, (DIN: 00080055) as the Whole-time Directors of the Company for a period of three (03) years w.e.f May 01, 2024 and the same was duly approved by the shareholders of the Company at the 23<sup>rd</sup> Annual General Meeting of the Company held on August 14, 2023.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and pursuant to relevant clause of Articles of Association of the Company, Mr. Puthenpurackal Kuncheria Xavier Thomas, (DIN: 09760233), Whole Time Director, retires by rotation at the forthcoming 24<sup>th</sup> Annual

General Meeting, and being eligible, has offered himself for re- appointment.

#### f. Dates and Number of Board Meetings

During the financial year ended March 31, 2024, the Board met 07 (seven) times on May 26, 2023, July 08, 2023, August 10, 2023, November 08, 2023, December 01, 2023, February 10, 2024 and March 15, 2024. Necessary quorum was present at all meetings. The gap between any two consecutive meetings did not exceed 120 consecutive days as stipulated under Section 173(1) of the Act, Regulation 17(2) of the SEBI Listing Regulations and the Secretarial Standards issued by the Institute of Company Secretaries of India.

The 23<sup>rd</sup> (Twenty-third) AGM of the Company was held on August 14, 2023 through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') without the physical presence of the members of the Company at a common venue as per the Circulars and directions issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

#### g. Attendance at Board Meetings and previous AGM

Details of attendance of Directors at Board Meetings held during the year under review and the previous AGM is as under:

Name of Director	Number of Board meetings attended		Attendance at previous AGM
	Held during tenure	Attended	
Mr. Swaminathan Subramaniam	7	7	Yes
Mr. Balachandran Krishnan	7	7	Yes
Ms. Deepta Rangarajan	7	6	Yes
Mr. Puthenpurackal Kuncheria Xavier Thomas	7	7	Yes
Mr. Vinod Balmukand Agarwala	7	7	Yes
Mr. Ashok Venkatramani	7	6	Yes
Mr. Bhaswar Mukherjee	7	7	Yes
Mr. Haseeb A. Drabu	7	5	Yes

#### h. Meeting of Independent Directors

Pursuant to Schedule IV of the Act read with the Rules made thereunder and Regulation 25(3) of the SEBI Listing Regulations, a meeting of Independent Directors of the Company was held on May 25, 2023 without the attendance of Non-Independent Directors and members of management. At the meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, the Chairperson of the Company, considering the views of Executive Directors and Non-Executive Directors, and also assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board which was

necessary to effectively and reasonably perform their duties. The Independent Directors have conveyed their satisfaction on the performances of Non- Independent Directors, Whole Time Director and the Board as a whole, and also on the flow of information to the Board.

#### i. Inter-se relationships between Directors

Other than Mr. Swaminathan Subramaniam and of Ms. Deepta Rangarajan, being husband and wife, none of the Director(s) and/ or Key Managerial Personnel of the Company or their relatives are related to each other.

**j. Shares and Convertible Instruments held by Non- Executive Directors**

As on March 31, 2024, the Company did not have any convertible instruments. Further, none of the Non-Executive Directors held any Equity Shares of the Company as on March 31, 2024.

**k. Director(s) seeking Appointment/Re-appointment**

In terms of Section 152 of the Act, Mr. Puthenpurackal Kuncheria Xavier Thomas, Whole-time Director of the Company is liable to retire by rotation and being eligible for re-appointment at the ensuing AGM of your Company, has offered himself for re- appointment.

**l. Code of Conduct**

Code of Conduct ('**Code**') is derived from three interlinked fundamental principles, viz.; good corporate governance, good corporate citizenship and exemplary personal conduct. The Board has laid down a Code for all Board Members and Senior Management of the Company. The Code also provides for the duties of Independent Directors as laid down in the Act. The Company has obtained confirmation of compliance with the Code from all members of the Board and Senior Management of the Company for the Financial Year 2023-24.

A copy of the Code is available on the Company's website and can be accessed at <https://www.irisbusiness.com/wp-content/uploads/2023/02/Code-of-conduct-for-Directors-Senior-Management-Personnel.pdf>.

As required under Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the declaration on compliance of the Company's Code signed by the Whole-time Director & CEO forms part of the Corporate Governance Report as "**Annexure 7B**".

**m. Induction and Familiarisation Programme for Independent Directors**

The Independent Directors have been familiarized with the Company, their roles and responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company etc.

Pursuant to Schedule IV of the Act and the SEBI Listing Regulations, the Company has an Induction and Familiarization process for Independent Directors that includes Company's background material, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company.

The Directors are provided with all necessary documents, reports and internal policies and procedures to enable them to understand the working of the Company. They are also given periodic presentation in the Board and Committee meetings in order to provide details on the business and performance updates, Company's strategy and operating plans, key issues on corporate governance, code of business conduct, risk management issues, etc.

The details of the aforementioned induction and familiarisation programme are disclosed on the Company's website and can be accessed at <https://www.irisbusiness.com/investors/independent-directors/directors-familiarization-programs/>.

**n. Skills, Expertise and Competencies of Directors**

Pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the Board has identified the key skills, expertise and competencies required in the context of your Company's business for its effective functioning which are currently available with the Board.

The identified skills/expertise/competencies as identified are leadership qualities, industry knowledge and experience, understanding of relevant laws, rules, regulations, Accounting and Taxation and policies, strategic thinking, corporate governance, financial management expertise, risk management, internal control systems, investor relations and insights into mergers and acquisitions.

The Directors of your Company comprises of qualified individuals who collectively possess the above skills, competencies and experience across diverse fields that enable them to make effective contributions to the Board and its Committees.

Further, the information in terms of Para C(2)(h)(ii) of Schedule V of the SEBI Listing Regulations is mentioned below:

Sr. No.	Name of Director	Skills / competencies / experience possessed
1	Mr. Swaminathan Subramaniam	Marketing, Strategy, Governance, Management, Business Development
2	Mr. Balachandran Krishnan	Finance, Management, Governance, Audit, Legal
3	Ms. Deepta Rangarajan	Marketing, Governance, Management, Business Development
4	Mr. Vinod Balmukand Agarwala	Law, Finance
5	Mr. Ashok Venkatramani	Business Strategy, Risk Management, Marketing, Stakeholder Management and Fund Raising.
6	Mr. Bhaswar Mukherjee	Finance, Audit, Human Resource Management.
7	Mr. Haseeb A. Drabu	Economic, Strategy, Finance, Risk Management
8	Puthenpurackal Kuncheria Xavier Thomas	Technology, product development, ecommerce, security compliance

#### o. Committees of the Board

The Board Committees are set up by the Board and are governed by its terms of reference which exhibit the scope, composition, tenure, functioning and reporting parameters. The Board Committees play a crucial role in the governance structure of the Company and deal with specific areas of concern for the Company that need a closer review. The Committees operate under the direct supervision of the Board, and Chairpersons of the respective committees' report to the Board about the deliberations and decisions taken by the Committees. All Committee decisions are taken, either at the meetings of the Committee or by passing of circular resolutions. During the financial year, all recommendations made by the various Committees have been accepted by the Board. The minutes of the meetings of all committees of the Board are placed before the Board for noting.

The details of the various Board Committees are as mentioned below

#### • Audit Committee

The Audit Committee's role is to assist the Board to fulfil its corporate governance and overseeing responsibilities in relation to the Company's financial reporting process carried out by the Management, internal control system, risk management system and internal and external audit functions.

#### a. Constitution

The Audit Committee ('the committee') of the Board, has been constituted in line with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations, and as on the date of this report comprises of four Non-Executive Independent Directors and one Executive Director. The Chairperson of the Audit Committee is as Non-Executive Independent Director.

All the Members of the Committee are financially literate and possess strong accounting and related financial management expertise. The Company Secretary acts as the Secretary of the Committee.

#### b. Composition and Attendance

During FY 2023-24, the Committee met 05 (Five) times on May 26, 2023, August 10, 2023, November 08, 2023, February 10, 2024 and March 15, 2024 and the necessary quorum was present at all the meetings. The composition of the Audit Committee as on March 31, 2024, number of meetings and attendance of Committee Members at its meetings is as follows:

Name of Member	Category	Attendance at meetings	
		Held/Entitled	Attended
Mr. Bhaswar Mukherjee	Non-Executive Independent Director – Chairperson	5	5
Mr. Vinod Balmukand Agarwala	Non-Executive Independent Director – Member	5	5
Mr. Ashok Venkatramani	Non-Executive Independent Director – Member	5	4
Mr. Haseeb A. Drabu	Non-Executive Independent Director – Member	5	4
Mr. Balachandran Krishnan	Executive Director – Member	5	5

The Audit Committee invites such executives, as and when it considers appropriate to be present at the meetings. The Finance Controller of the Company, the Internal Auditors and the Statutory Auditors also remain present as invitees for the meetings of Committee.

Mr. Bhaswar Mukherjee, Chairman of the Audit Committee attended the last AGM of the Company held on August 14, 2023.

**C. Terms of Reference of the Audit Committee**

The terms of reference of this Committee are very wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the SEBI Listing Regulations. The Committee relies on the expertise and knowledge of the management, the internal auditor and the statutory auditor, in carrying out its oversight responsibilities. It also uses external expertise, if required. The management is responsible for the preparation, presentation and integrity of the Company's financial statements, including consolidated statements, accounting and financial reporting principles. The Committee acts as a link between the Statutory Auditors and the Internal Auditors and the Board of the Company.

The terms of reference of the Audit Committee are in accordance with all the items listed in Part C of Schedule II of SEBI Listing Regulations and Section 177 of the Act which are as follows:

- i. Oversight of the Company's financial reporting process and disclosure of its financial information, to ensure that the financial statements are true and accurate and provide sufficient information and credible;
- ii. Recommending to the Board for appointment, re-appointment and, if required, replacement or removal of the Statutory Auditor and fixation of their terms of appointment and remuneration;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors, if any;
- iv. Reviewing with the management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' 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 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;
  - Modified opinion(s) in the draft audit report.
- v. Reviewing with the Management, quarterly Financial Statements/results before submission to the Board for approval;
- vi. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the Company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with Internal Auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control

systems of a material nature and reporting the matter to the Board;

- xvi. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. Review of the functioning of Whistle Blower mechanism;
- xix. Approve appointment of Chief Financial Officer (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- xxi. Review utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding 100 crores or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/advances/ investments;
- xxii. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- xxiii. Reviewing the Management Discussion and Analysis of financial condition and results of operations;
- xxiv. Review the statement of significant related party transactions
- xxv. Review the management letters/letters of internal control weaknesses issued by the statutory auditors;
- xxvi. Review the Internal Audit Report relating to internal control weaknesses;
- xxvii. Review the appointment, removal and terms of remuneration of the Chief Internal Auditor;
- xxviii. Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the

offer document/ prospectus/notice in terms of Regulation 32(7).

- xxix. Review the financial statements, in particular, the investments made by unlisted subsidiaries;
- xxx. Carry out such other responsibility as may be provided by the Companies Act, 2013 and the SEBI Listing Regulations;
- xxxi. 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.

#### **d. Review of matters by Audit Committee**

The Committee also reviews the terms of appointment and remuneration of the Internal Auditor and the Chief Financial Officer of the Company, financial statements of subsidiaries and in particular investments made by the subsidiaries, Management discussion and Analysis of financial condition and results of operations, functioning of the Whistle Blower Policy/ Vigil Mechanism. The Committee reviews, on a quarterly basis, related party transactions, uses / application of funds raised on private placement basis, loans, investments and guarantees given, risks and mandatory information under Para B of Part C of Schedule II of the SEBI Listing Regulations.

The Committee also reviews the Report on compliance under Code of Conduct for Prevention of Insider Trading adopted by the Company pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, Compliance Reports under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Whistle blower Policy are also placed before the Committee.

#### **• Nomination and Remuneration Committee**

The role of the Nomination and Remuneration Committee ('NRC') is to oversee the selection of Directors and Senior Management Personnel based on criteria related to the specific requirement of expertise and independence. The NRC evaluates the performance of Directors and Senior Management Personnel based on their expected performance criteria.

##### **a. Constitution**

NRC is constituted in compliance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

As on the date of the report, the NRC comprises of three Non-Executive Independent Directors including the Chairman of the Board. The Company Secretary acts as a Secretary to the Committee.

**b. Composition and Attendance**

During FY 2023-24, the Committee met 03 (three) times and the necessary quorum was present at all the meetings. The NRC meetings were held on May 25, 2023, November 08, 2023, and December 01, 2023. The composition of the NRC as on March 31, 2024 and attendance of the Committee Members at its meetings is as follows:

Name of Member	Category	Attendance at meetings	
		Held/ Entitled	Attended
Mr. Ashok Venkatramani	Non-Executive Independent Director – Chairman	3	3
Mr. Vinod Balmukand Agarwala	Non-Executive Independent Director - Member	3	3
Mr. Bhaswar Mukherjee	Non-Executive Independent Director - Member	3	3

The Chairperson of the Committee, Mr. Ashok Venkatramani was present at the 23<sup>rd</sup> AGM of the Company held on August 14, 2023.

**c. Terms of reference of Nomination and Remuneration Committee**

The terms of reference of the NRC are in line with regulatory requirements mandated in the Act and Part D of Schedule II of the SEBI Listing Regulations which include:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the of remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the

capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
- Formulation of criteria for evaluation of independent directors and the Board of Directors;
  - Devising a policy on diversity of Board of Directors;
  - 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.
  - 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;
  - Grant of options and allotment of shares under and in accordance with terms of Employee Stock Options Scheme(s) of the Company.

**d. Nomination and Remuneration Policy**

The NRC has formulated a policy for determining qualifications, positive attributes and independence of a Director and other related matters provided under sub section (3) and (4) of Section 178 of the Act which is available on the Company's website at <https://www.irisbusiness.com/wp-content/uploads/2023/12/NRC-Policy.pdf>.

It is affirmed that the remuneration paid to the Directors is as per the terms laid in the duly approved and adopted Nomination and Remuneration Policy of the Company.

**e. Performance Evaluation criteria for Independent Directors**

The Committee has approved the evaluation process, methodology, framework and criteria for evaluation of performance of Independent Directors, Committees of the Board, the Board as a whole and the Chairperson. Basis the approved framework, the performance evaluation of all the Directors, Committees, Chairperson and the Board as a whole was carried out during the year under review.

**• Stakeholders' Relationship Committee**

The Stakeholders Relationship Committee ('SRC') looks into various aspects of interest of shareholders which include approval of requests for transfer and transmission of shares, transposition and deletion of name in the Register of Members, change of address in the Register of Members, addressing to the complaints of shareholders including non-receipt of declared dividends, non-receipt of Annual Report, revalidation of dividend warrants, consolidation and split of shares, etc.

**a. Constitution**

As on the date of this report, SRC comprises of a Non-Executive Independent Director and Two Executive Directors. The Chairman of the Committee is an Independent Director. The Company Secretary acts as the Secretary to the Committee.

**b. Composition and Attendance**

During FY 2023-24, the Committee met 01 (One) time i.e. on May 25, 2023. Necessary quorum was present at the meeting. The composition of the SRC as on March 31, 2024 and attendance of Committee Members at the meeting is as follows:

Name of Member	Category	Attendance at meetings	
		Held/ Entitled	Attended
Mr. Bhaswar Mukherjee	Non-Executive Independent Director-Chairman	1	1
Ms. Deepta Rangarajan	Executive Director - Member	1	1
Mr. Balachandran Krishnan	Executive Director - Member	1	1

**c. Terms of Reference:**

The role and terms of reference of the Committee covers all the areas as contemplated under Regulation 20 read with Para B of Part D of Schedule

II of the SEBI Listing Regulations and Section 178 of the Act as applicable.

The Committee deals with matters relating to transfer/ transmission of shares, issue of duplicate certificates and monitors the redressal of Shareholder grievances. The terms of reference of the Committee include:

- 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; and
- 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 with a view to expedite the process of share transfers, necessary authorities have been delegated to the Compliance Officer of the Company. Details of transfer and transmission requests, if any

received at every meeting and report of investor complaints is presented to the Board on a quarterly basis.

**d. Investor Complaints**

During FY 2023-24, the Company did not receive any complaints from its shareholders/investors. There were no complaints pending as at the end of the year.

Status of Investor Complaints as on March 31, 2024 and reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

No. of Shareholder complaints pending at the beginning of the year i.e. as on April 1, 2023	NIL
No. of Shareholder Complaints received during the year	NIL
No. of Shareholder Complaints resolved during the year	NIL
No. of Shareholder Complaints pending as on March 31, 2024	NIL

The Chairman of the Committee, Mr. Bhaswar Mukherjee attended the 23<sup>rd</sup> AGM of the Company held on August 14, 2023.

**e. Stakeholders' Relationship Committee other details:**

Name and Contact detail of Compliance officer	Mr Santoshkumar Sharma Company Secretary & Compliance officer Tel.: +91 22 6723 1000
Email ID for Correspondence	cs@irisbusiness.com
Office address for Correspondence	T-231, Tower 2, 3 <sup>rd</sup> Floor, Internationa Infotech Park, Vashi Station, Vashi, Thane - 400703, Maharashtra, India

**f. Compliance Officer under SEBI Listing Regulations**

Mr. Santoshkumar Sharma, Company Secretary of the Company is designated as Compliance Officer of the Company pursuant to Regulation 6 of the SEBI Listing Regulations.

**• Corporate Social Responsibility Committee**

**a. Constitution**

In accordance with Section 135 of the Act, the Board of Directors of the Company formed a Corporate Social Responsibility ('CSR') Committee. The Committee has framed a Corporate Social Responsibility Policy, the purpose of which is to articulate what CSR means to the Company, kind of projects to be undertaken, identifying broad areas of intervention, approach to be adopted to achieve the CSR goals and monitoring mechanism.

The framework enables to put in place, policies and practices in line with this Policy. The CSR Policy is an attempt to showcase the linkage of the Company's social objectives with business strategy.

**b. Composition and Attendance**

The CSR Committee comprises of three directors of whom one is a Non-Executive Independent Director and two Executive Directors. Mr. Ashok Venkatramani, Non-Executive Independent Director is the Chairperson of the Committee. The Company Secretary acts as the Secretary to the Committee.

No CSR Committee meetings were required to be held during the year the financial year ended 2023-24 due to non-applicability of CSR under Section 135(1) of the Act.

The composition of the CSR Committee as on March 31, 2024 is as follows:

Name of Member	Category
Mr. Ashok Venkatramani	Non-Executive Independent Director - Chairman
Ms. Deepta Rangarajan	Executive Director – Member
Mr. Swaminathan Subramaniam	Executive Director - Member

The Company's Corporate Social Responsibility Policy is disclosed on the Company's website and can be accessed at <https://www.irisbusiness.com/wp-content/uploads/2023/12/CSR-Policy-2.pdf>.

**• Risk Management Committee**

The Board of your Company voluntarily constituted the Risk Management Committee ('RMC') of the Board. As on date of this Report, RMC comprised of 2 (two) Non-Executive Independent Directors and 2 (two) Executive Director of the Company. The Company Secretary acts as the Secretary to the Committee.

The primary role of the RMC is that of assisting the Board in overseeing the Company's risk management processes and controls. RMC, through the Risk Management Policy, seeks to minimise adverse impact on the business objectives and enhance stakeholder value. The Board has adopted a Risk Management Policy for functioning of the RMC.

**a. The terms of reference of RMC includes the following:**

- 1) To formulate a detailed risk management policy which include:
  - A framework for identification of internal and external risks specifically

faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- 2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
  - 3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
  - 4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
  - 5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
  - 6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

During the year the Risk Management Committee met 02 (two) time i.e. on November 08, 2023 and March 15, 2024. The composition of the Risk Management Committee as on March 31, 2024 and its attendance at its meetings is as follows:

Name of Member	Category	Attendance at meetings	
		Held/Entitled	Attended
Mr. Haseeb Drabu	Non-Executive Independent Director Chairman	2	2
Mr. Bhaswar Mukherjee	Non-Executive Independent Director – Member	2	2
Ms. Deepta Rangarajan	Executive Director - Member	2	2
Mr. Puthenpurackal Kuncheria Xavier Thomas	Executive Director - Member	2	2

## b. Risk Management Framework

Your Company has a well-defined risk management framework in place which inter alia includes identification of elements of risk, if any, which in the opinion of the Board may seriously impact the Company. The Risk Management Policy inter alia includes identification, assessment for likelihood and impact, mitigation steps and reporting of existing and new risks associated with your Company's activities in a structured manner. This facilitates timely and effective management of risks and opportunities and in turn achievement of your Company's objectives.

### • Rights Issue Committee

The Board of Directors at their meeting held on January 29, 2022 constituted the Rights Issue Committee consisting of 3 (Three) Directors comprising of 2 (two) Executive Directors and 1 (one) Non-Executive Independent Director, The Board approved the rights issue of upto ₹32 crores or such other sum which shall be partly or fully paid up as may be determined.

The primary role of the Committee was to advise the Board on the mode of capital raising, to engage intermediaries/agencies as may be required in connection with the fund raising, to apply for and obtain all statutory/regulatory approvals from any statutory, regulatory, judicial or quasi-judicial authority and such other function related in connection with the capital raising.

No meeting of the Committee was held during FY 2023-24.

The composition of the Rights Issue Committee and its attendance at its meetings is as follows:

Name of Member	Category	Attendance at meetings	
		Held/Entitled	Attended
Mr. Balachandran Krishnan	Executive Director – Chairman	-	-
Mr. Bhaswar Mukherjee	Non-Executive Independent Director- Member	-	-
Mr. Swaminathan Subramaniam	Executive Director – Member	-	-

## Particulars of Senior Management

Senior Management with respect to the Company means all employees one level below the Whole - time directors and includes all the Function Heads of the Company. Details of Senior Management are given below:

Name	Date of Joining	Designation	Change during the year
Mr. Arup Ganguly	October 13, 2008	Head Sales	-
Mr. Ashish Singhvi	January 21, 2009	Product Engineering Head	-
Mr. Rahul Dhamne	March 10, 2010	Head Consulting	-
Ms. Anuradha RK	May 6, 2010	Business Head	-
Mr. Vineet Kandoi	September 20, 2011	Head Finance & Accounts	-
Mr. Anand Padmanabhan	November 4, 2011	President	-
Mr. Gautam Mahanti	April 30, 2012	Business Head IRIS GST	-
Mr. Hemant Karale	July 16, 2012	Business Head IRIS iDEAL	-
Ms. Suchita Goyal	January 15, 2014	Head - Marketing IRIS GST	Promoted wef May 20, 2024
Ms. Nisha Rai	October 29, 2018	Senior Manager Human Resources	-
Mr. Santosh Sharma	May 27, 2021	Company Secretary	-
Mr. Mahesh Tilave	February 24, 2023	Team Lead – IT Infrastructure	-
Mr. Servesht Sawhney	February 23, 2024	Senior Vice President of Sales and Growth Head	Appointed wef February 23, 2024

### 3. REMUNERATION PAID TO DIRECTORS

#### a. Non-Executive Directors /Independent Directors

Non-Executive Independent Directors are eligible for sitting fees and commission within the limits prescribed in the Act. The remuneration and payment criteria payable to Independent Directors is decided by the Nomination and Remuneration Committee of the Board of Directors based on the NRC Policy which can be accessed at <https://www.irisbusiness.com/wp-content/uploads/2023/12/NRC-Policy.pdf>. The Independent Directors are eligible for sitting fees of ₹25,000/- for attending each meeting of the Board and Audit Committee, and ₹15,000/- for attending meetings of other Committees. Except as disclosed, there were no pecuniary relationships or transactions between the Independent Directors and the Company during financial year 2023-24.

There was no commission paid to the Non-executive Directors during financial year 2023-24. Details of sitting fees paid to Directors during financial year 2023-24 are as under:

(Amount in Thousands - ₹)

Name of the Director	Sitting Fees paid						
	Board	Audit	NRC	SRC	RMC	RIC	CSR
Mr Bhaswar Mukherjee	175	125	45	15	30	-	-
Mr Vinod Balmukand Agarwala	175	125	45	-	-	-	-
Mr Ashok Venkatramani	150	100	45	-	-	-	-
Mr Haseeb A. Drabu	125	100	-	-	30	-	-
<b>Total</b>	<b>625</b>	<b>450</b>	<b>135</b>	<b>15</b>	<b>60</b>	<b>-</b>	<b>-</b>

#### b. Executive Directors

The appointment of Executive Directors is as per the resolutions passed by the Board of Directors and Members of the Company, which cover the terms of such appointment and are implemented in conjunction with the service rules of the Company.

During FY 2023-24, remuneration was paid to Mr. Swaminathan Subramaniam, Mr. Balachandran Krishnan, Ms. Deepta Rangarajan and Mr. Puthenpurackal Kuncheria Xavier Thomas, which was in accordance and within the limits approved by the Board and the Members based on the recommendation of NRC.

Details of remuneration paid by the Company to Executive Directors during the Financial Year ended March 31, 2024 are given below:

(Amount in Thousands - ₹)

Particulars	Mr. Swaminathan Subramaniam*	Mr. Balachandran Krishnan*	Ms. Deepta Rangarajan*	Mr. Puthenpurackal Kuncheria Xavier Thomas*
	Whole-Time Director	Whole-Time Director	Whole-Time Director	Whole-Time Director
Term of appointment	Previously appointed for a period of 3 years w.e.f. May 01, 2021	Previously appointed for a period of 3 years w.e.f. May 01, 2021	Previously appointed for a period of 3 years w.e.f. May 01, 2021	Appointed for a period of 5 years w.e.f. November 11, 2022
Salary & Perquisites (₹ in thousands)	4500	4500	4500	12,000
Variable Pay / Performance Linked Incentive	0	0	0	0
Performance Bonus	0	0	0	0
Other retirement benefits	0	0	0	0
<b>Total</b>	<b>4500</b>	<b>4500</b>	<b>4500</b>	<b>12,000</b>

\*The remuneration of ₹45,00,000/- per annum to Mr. Swaminathan Subramaniam, Mr. Balachandran Krishnan and Ms. Deepta Rangarajan was approved by the shareholders in the AGM held on August 14, 2023. The remuneration of ₹ 1,20,00,000 per annum to Mr. Puthenpurackal Kuncheria Xavier Thomas was approved by the shareholders of the Company on February 4, 2023 through Postal Ballot.

#### Notes:

- There is no separate provision for payment of severance fees.
- Notice period as per the Rules of the Company.

#### c. Details of Stock Options granted to the Executive Directors

During the year 2023-24, none of the Directors have been granted any stock options during the Financial Year 2023-24.

#### d. Details of Shares held by Executive Directors

Details of shares held by the Executive Directors as on March 31, 2024 are as follows:

Name of Member	Category	Number of Shares held
Mr. Swaminathan Subramaniam	Promoter, Whole Time Director & CEO	44,72,168
Mr. Balachandran Krishnan	Promoter, Whole Time Director & CFO	10,64,800
Ms. Deepta Rangarajan	Promoter, Whole Time Director	14,46,052

## 4. KEY GOVERNANCE POLICIES

### a. Policy on Materiality of and dealing with Related Party Transactions

Your Company has formulated a Policy on Materiality of and dealing with Related Party Transactions which specifies the manner of entering into related party transactions and other related matters.

The Policy has been framed to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations, and intends to ensure proper approval and reporting of transactions as applicable, between the Company and its related parties in the best interest of the Company and its stakeholders.

Provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws.

The Company's Policy on Materiality of and dealing with Related Party Transactions is uploaded for viewing on its website and can be accessed at <https://www.irisbusiness.com/wp-content/uploads/2024/05/Policy-on-Related-Party-Transactions.pdf>.

### b. Policy on Material Subsidiaries

In line with the requirements prescribed by the SEBI Listing Regulations, the Board of Directors the Company have adopted a Policy on Material Subsidiaries which

sets out the criteria to identify material subsidiaries of the Company in accordance with the SEBI Listing Regulations and defines processes and procedures for any transactions with it.

The Company's Policy on Material Subsidiaries is disclosed on its website and can be accessed at <https://www.irisbusiness.com/wp-content/uploads/2023/02/Material-Subsidiary-Policy.pdf>.

#### c. Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Act and Regulation 22 of the SEBI Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Audit Committee. The Policy was amended by the Board in line with the amended SEBI (Prohibition of Insider Trading) Regulations, 2015 to

provide for whistle blowing in case of leak or suspected leak of unpublished price sensitive information.

The Company's Policy on Whistle Blower/Vigil Mechanism is disclosed on its website and can be accessed at <https://www.irisbusiness.com/wp-content/uploads/2023/02/Vigil-Mechanism-Policy.pdf>.

#### d. Policies under SEBI (Prohibition of Insider Trading) Regulations, 2015

In accordance with Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, ('**Insider Trading Regulations**'), the Company has put in place a Code, which provides for procedure to be followed by Designated Persons for trading in securities of the Company including pre- approval, reporting and restrictions on contra trading. The Code also contains processes to ensure safeguards against leakage of Unpublished Price Sensitive Information ('**UPSI**') of the Company.

The updated Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information is disclosed on its website and can be accessed at <https://www.irisbusiness.com/investors/policies/>.

## 5. GENERAL BODY MEETINGS

#### a. Annual General Meetings ('AGM')

Details of last three AGM's and Special Resolutions passed are as follows:

For the Financial Year	Day and Date	Time (IST)	Venue	Details of Special Resolutions passed
2022-23	Monday, August 14, 2023			<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Swaminathan Subramaniam (DIN: 01185930) as a Whole Time Director of the Company with effect from May 01, 2024 for a period of 3 (three) years;</li> <li>2. Re-appointment of Mr. Balachandran Krishnan (DIN: 00080055) as a Whole Time Director of the Company with effect from May 01, 2024 for a period of 3 (three) years;</li> <li>3. Re-appointment of Ms. Deepta Rangarajan (DIN: 00404072) as a Whole Time Director of the Company with effect from May 01, 2024 for a period of 3 (three) years;</li> </ol>
2021-22	Thursday, August 25, 2022	11:00 a.m. I.S.T.	The AGMs were held through video conferencing (' <b>VC</b> ') /other audio visual means (' <b>OAVM</b> ')	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Bhaswar Mukherjee as an Independent Director of the Company for second and final term of five (05) years w.e.f October 9, 2022 upto October 8, 2027;</li> <li>2. Re-appointment of Mr. Ashok Venkatramani as an Independent Director of the Company for second and final term of five (05) years w.e.f October 9, 2022 upto October 8, 2027</li> <li>3. Re-appointment of Mr. Vinod Agarwala as the Independent Director of the Company for second and final term of three (03) years w.e.f November 27, 2022 upto November 26, 2025</li> </ol>
2020-21	Saturday, August 14, 2021			No Special Resolution was passed

**b. Extra-Ordinary General Meeting ('EGM')**

The Company passed following Special Resolutions at its Extra-ordinary General Meeting during FY 2023-24.

Financial Year	Day and Date	Time (IST)	Venue	Details of Special Resolutions passed
2023-24	Friday, February 16, 2024	11:00 a.m. I.S.T.	The EGM was held through video conferencing ('VC') / other audio visual means ('OAVM')	<ol style="list-style-type: none"> <li>1. Implementation of the 'IRIS Business Services Limited Employee Stock Option Scheme 2023;</li> <li>2. Extension of benefits of the IRIS Business Services Limited Employee Stock Option Scheme 2023 to the employees of Subsidiary Company(ies) of the Company;</li> </ol>

**a. Postal Ballot**

During the year under review, no Special Resolutions was through Postal Ballot during FY 2023-24.

Currently, no postal ballot exercise is proposed to be carried out.

**3. MEANS OF COMMUNICATION****a. Modes of Communication**

Your Company, from time to time and as may be required, communicates with its Shareholders and Investors through multiple channels of communications including the following:

- Dissemination of information on the website of the Stock Exchanges;
- Press releases;
- Annual reports;
- Earnings calls, investor conferences; and
- Uploading relevant information on the Company's website.
- Presentations made to institutional investors or to the analysts.

**b. Financial Results**

The quarterly, half-yearly and annual financial results along with the press release are posted by the Company on its website at <https://www.irisbusiness.com/investors/financials/>.

These are also submitted to BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'), in accordance with Regulation 33 of the SEBI Listing Regulations and published in leading newspapers like the Financial Express in English language which is a national daily newspaper and Dainik Pudhari in Marathi language (Local Language) which is the regional daily newspaper circulating in Maharashtra, giving adequate coverage of the financial results in accordance with Regulation 47 of the SEBI Listing Regulations.

**c. Disclosures**

Your Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation

30 read with Part 'A' of Schedule III of the SEBI Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information, if any. All information is filed electronically on BSE Corporate & Listing Centre, online portal of BSE and on NSE Electronic Application Processing System, the online portal of NSE.

**d. Investor Interactions**

The Executive Directors and the Senior Management team of the Company conducts several conference calls and meets with institutional investors/analysts on the results published after the Board meetings. Presentations are also made to international and domestic institutional investors and analysts. These presentations and related disclosures which are required to be disseminated on the Company's website under the SEBI Listing Regulations have been uploaded on the website of the Company at <https://www.irisbusiness.com/investors/quarterly-investors-presentation/>. These presentations are also uploaded on the website of BSE Limited and National Stock Exchange of India Limited.

**e. Website**

The Annual Report of the Company, the quarterly/ half yearly financial results and the annual audited financial statements and the official news releases of the Company are also disseminated on the Company's website <https://www.irisbusiness.com/investors/financials/>.

The Company's website link, <https://www.irisbusiness.com/> contains all information as prescribed under the Act and the SEBI Listing Regulations, including details of the contact persons and the Registrar and Share Transfer Agent of the Company, shareholding pattern, policies, other news releases, etc.

#### 4. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	Date	August 14, 2024
	Time	11 a.m. I.S.T.
	Venue	Meeting through hybrid mode that is both Physical and Video Conferencing ('VC') / Other Audio Visual Means ('OAVM').
Financial Year (April – March)	The financial year of the Company comprises of period of 12 months commencing from April 1 to March 31.	
Dividend Payment Date	Not applicable	
Book Closure	The share transfer book of the Company will be closed for the purpose of AGM from Thursday, August 8, 2024 to Wednesday, August 14, 2024.	
Listing on Stock Exchanges	The Equity Shares of the Company are listed on following Stock Exchanges:	
	Name	BSE Limited.
	Address	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
	Scrip Code	540735.
	Name	National Stock Exchange of India Limited.
	Address:	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.
	Symbol	IRIS.
	Annual Listing Fees for FY 2024-25 has been paid to the Stock Exchanges (BSE and NSE) where the Equity Shares of the Company are listed.	
	Annual Custody Fees for FY 2024-25 has been paid to the Depositories as per invoices received.	
Dematerialization of Shares	As on March 31, 2024, out of the total Equity Shares i.e 1,93,61,162, 98.30% representing 1,90,32,162 Equity Shares were held in dematerialized form and the balance of 3,29,000 Equity Shares constituting 1.70% were held in physical form. NSDL: 60,57,200 Equity Shares CDSL: 1,29,74,962 Equity Shares	
International Securities Identification Number (ISIN):	INE864K01010	
Traded Securities	The securities of the Company have not been suspended from trading from any of the aforesaid stock exchanges during FY 2023-24.	
Global / American Depository Receipts, warrants or other convertible instruments	As on March 31, 2024, the Company did not have any outstanding Global / American Depository Receipts, warrants or any other convertible instruments.	
Plant Locations	The Company does not carry any manufacturing activities and hence does not have any plant location.	
Registrar and Share Transfer Agent	Link Intime India Private Limited Address: C-101, 1 <sup>st</sup> Floor, 247 Park, L B S Marg, Vikhroli (West), Mumbai-400 083 E-mail : rnt.helpdesk@linkintime.co.in.	

#### 5. UPDATION OF BANK AND PAN DETAILS

In compliance with terms of the SEBI Circular No. SEBI/ HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 on strengthening the Guidelines and Raising Industry standards for RTA, Issuer Companies and Banker to an Issue, communications and reminders were sent by the Company to its Shareholders holding Equity Shares in physical form.

Shareholders have been requested to update any change in their Bank Account Number, including the correct 9-Digit MICR Code and 11-digit IFSC Code, e-mail ID and Mobile No(s).

Shareholders holding Equity Shares in physical form can update their Bank Account details by submitting a written request letter quoting their folio number along with original cancelled cheque bearing their name on it or bank passbook/statement attested by their Bank to Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company at C-101, 1<sup>st</sup> Floor, 247 Park, L B S Marg, Vikhroli (West), Mumbai-400 083 or through e-mail on rnt.helpdesk@linkintime.co.in. Shareholders holding Equity Shares in dematerialised form are requested to update their Bank Account details with their respective Depository Participant in case of any change in their Bank Account details.

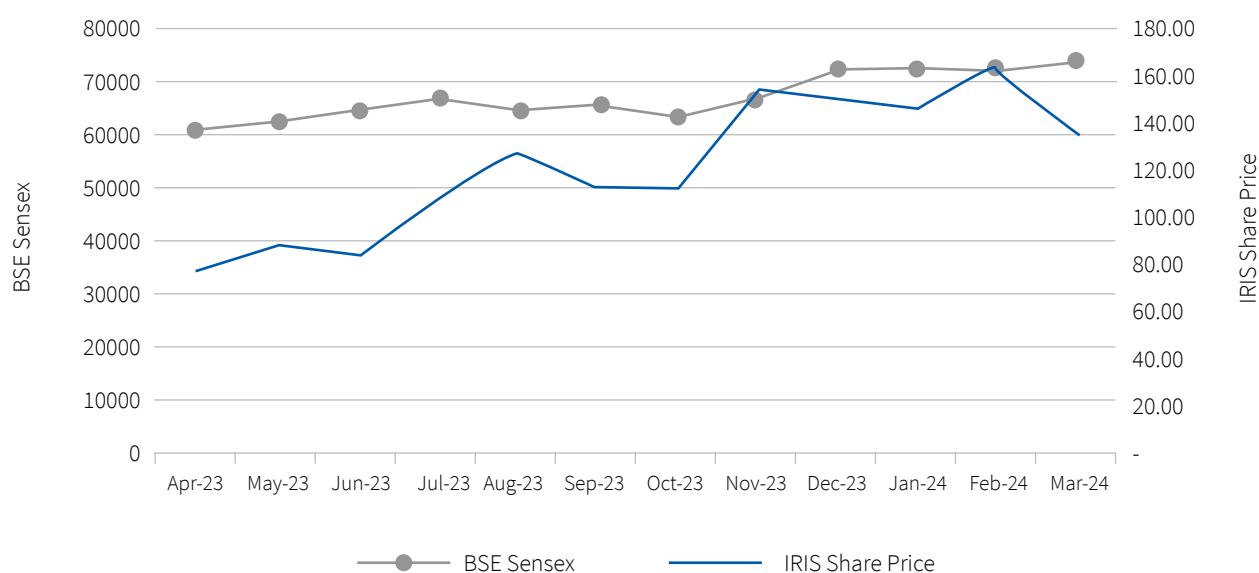
## 6. MARKET PRICE DATA

The monthly high and low stock quotations of the Equity Shares of the Company on BSE and NSE during the financial year from April 1, 2023 to March 31, 2024 was as under:

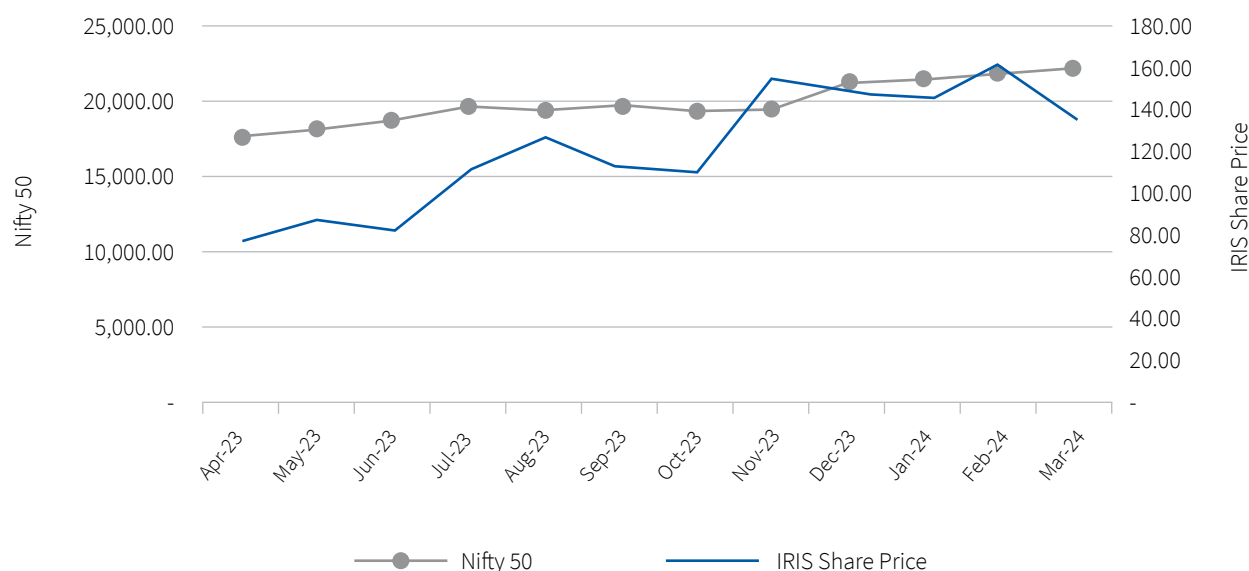
Month	BSE			NSE		
	High	Low	No. of Shares Traded	High	Low	No. of Shares Traded
April 2023	77.69	67.01	46,474	78.00	69.30	1,75,188
May 2023	87.80	71.26	51,199	87.65	73.85	6,49,471
June 2023	84.55	73.05	28,550	82.50	75.85	3,32,096
July 2023	109.66	74.15	2,71,505	110.00	75.35	25,95,443
August 2023	127.88	88.00	6,28,904	127.00	88.40	36,81,656
September 2023	114.30	92.25	1,29,573	112.50	94.00	4,46,866
October 2023	112.40	98.40	1,16,317	110.00	96.00	4,89,201
November 2023	154.95	102.10	1,92,988	153.60	99.20	16,45,593
December 2023	149.70	126.10	1,77,955	149.00	126.05	8,87,484
January 2024	146.35	130.70	2,87,712	146.85	130.20	11,83,649
February 2024	162.75	127.55	1,74,947	161.70	127.30	12,80,918
March 2024	136.30	106.15	1,14,902	135.10	106.15	7,93,697

(Source: The above information is compiled from the data available on BSE & NSE Webs.)

### Performance of Share Price of the Company in Comparison to the BSE Sensex



### Performance of Share Price of the Company in comparison to NSE Nifty 50



## 7. SHARE TRANSFER SYSTEM/OTHER INVESTOR SERVICE REQUESTS

All share transfers/requests for dematerialization of shares received are generally registered and returned within the stipulated time period from the date of receipt, if the documents are clear in all aspects by the Registrar and transfer Agent. Further, in compliance with Notification No. SEBI/LAD-NRO/GN/2018/24 issued by SEBI, the Company has ceased to accept physical transfer of shares w.e.f. April 1, 2019, except in case of transmission of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of Equity Shares in electronic form are effected through the depositories with no involvement of the Company. Directors of the Company and the Company Secretary have been empowered to approve transfers.

Pursuant to SEBI circular dated January 25, 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition.

### Category-wise Shareholding as on March 31, 2024

Category	No. of Shares held	% of holding
<b>Promoter and Promoter Group (A)</b>	<b>71,83,020</b>	<b>37.10</b>
<b>Public (B)</b>	<b>1,21,78,142</b>	<b>62.90</b>
Other Bodies Corporate	31,82,128	16.44
Hindu Undivided Family	2,83,453	1.47
Non Resident Indians	1,89,992	0.98
Non Resident (Non Repatriable)	90,055	0.46
Resident Individuals	76,91,853	39.73
Body Corporate - Ltd Liability Partnership	7,12,518	3.68
FPI (Corporate) - I	28,143	0.14
<b>Total (A) + (B)</b>	<b>1,93,61,162</b>	<b>100.00</b>

**Distribution of Shareholding as on March 31, 2024**

SERIAL NO.	SHARES RANGE	NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED
1	1 to 500	5206	80.19	581055	3.00
2	501 to 1000	476	7.33	385440	1.99
3	1001 to 2000	263	4.05	391281	2.02
4	2001 to 3000	109	1.68	286102	1.48
5	3001 to 4000	146	2.25	557021	2.88
6	4001 to 5000	55	0.85	259147	1.34
7	5001 to 10000	97	1.49	730925	3.78
8	10001 & Above	140	2.16	16170191	83.52
<b>Total</b>		<b>6492</b>	<b>100.00</b>	<b>19361162</b>	<b>100.00</b>

**8. DEMATERIALISATION OF SHARES AND LIQUIDITY**

The process of conversion of shares from physical form to electronic form is known as dematerialisation. For dematerialising the shares, the shareholders should open a demat account with a Depository Participant ('DP'). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialised and an electronic credit of the shares is given in the account of the shareholder.

The Company's shares are required to be compulsorily traded on the Stock Exchanges in dematerialized form. The market lot of the Share of your Company is one Share. Distribution of shareholding in physical and dematerialized form as of March 31, 2024 is as under:

Category	No. of Shareholders	No. of Equity Shares held	% Shareholding
Dematerialized Form	6,470	1,90,32,162	98.30
Physical Form	22	3,29,000	1.70

**9. TRANSFER OF SHARES IN DEMAT FORM**

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) cannot be processed from April 1, 2019 unless the securities are held in dematerialized form with the depositories. Therefore, Members who continue to hold Equity Shares of the Company in physical form are requested to dematerialise their shareholding to avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, and elimination of any possibility of loss of documents and bad deliveries.

with the issued and listed capital of the Company. This audit is undertaken every quarter and the report thereon is submitted to the Stock Exchanges within prescribed timelines.

The audit report confirms that the total listed and paid up/ issued share capital as on March 31, 2024 matches with the aggregate of the total number of shares in demat form held by NSDL and CDSL and in physical form.

Further, pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificate has been issued, on a yearly basis, by Rishit Shah & Co., Practicing Company Secretaries, Mumbai certifying due compliance of share transfer and transmission formalities by the Company.

**10. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

As mandated by Securities and Exchange Board of India ('SEBI'), M/s. Rathi & Associates, Company Secretaries, Mumbai (for the period from April 01, 2023 to December 31, 2023) and Rishit Shah & Co., Practicing Company Secretaries (for the period March 31, 2024) undertook Reconciliation of Share Capital Audit under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 to reconcile total share capital held with NSDL and CDSL and held in physical form,

**11. CREDIT RATING**

During FY 2023-24, the credit rating agency ICRA Limited upgraded the long-term rating to [ICRA]BB+ (pronounced ICRA double B plus) from [ICRA]BB (pronounced ICRA double B) and re-affirmed the short-term rating at [ICRA] A4+ (pronounced ICRA A four plus) ('Rating'), with respect to the bank facilities in aggregate of ₹19.75 crores. Further, the outlook on the long-term rating by ICRA is revised to "Positive" from Stable.

The rating summary is given below:

**Details of the bank limit rated by ICRA (Rated on long-term scale)**

Bank Limit	Amount in Crore- ₹	Rating	Assigned On
ICICI Bank – Cash Credit	14.00	[ICRA]BB+(Positive)	January 12, 2024
<b>Total</b>	<b>14.00</b>		

**Details of the bank limits rated by ICRA (Rated on short-term scale)**

Bank Limit	Amount in Crore- ₹	Rating	Assigned On
ICICI Bank - Bank Guarantee Limits	5.00	[ICRA]A4+	January 12, 2024
ICICI Bank – Forward Contract	0.75	[ICRA]A4+	January 12, 2024
<b>Total</b>	<b>5.75</b>		

**12. COMMODITY PRICE RISK, FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

The Company does not deal in commodities and accordingly total exposure to commodities is Nil. Further, members may refer to Note 29 and 31 of the Standalone Financial Statements of the Company and Note 28 and 30 of the Consolidated Financial Statements for the financial year ended March 31, 2024, for Financial risk management objectives and policies and Hedge Accounting disclosures in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/0000000141 dated November 15, 2018.

**13. DISCLOSURE ON DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A)**

Not Applicable for the financial year ended March 31, 2024.

**14. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

Not Applicable

**15. DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS**

Details of transactions with the related parties as specified in Indian Accounting Standards (Ind AS 24) have been reported in Note No. 27 of the Standalone Financial Statements and Note No. 26 of the Consolidated Financial Statements. There were no related party transactions of material nature which were in conflict of interest with the Company.

Further, in terms of the provisions of Section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations, all contracts/ arrangements/ transactions entered into by the Company with its related parties, during the year under review,

were in “ordinary course of business” of the Company and on “an arm’s length basis”.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. The web-link as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under: <https://www.irisbusiness.com/wp-content/uploads/2024/05/Policy-on-Related-Party-Transactions.pdf>.

**19. RECOMMENDATION OF COMMITTEES**

All recommendations/submissions made by various Committees of the Board during the financial year 2023-24 were accepted by the Board.

**20. FEES TO STATUTORY AUDITORS**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Statutory Auditor, KKC & Associates LLP (Formerly known as ‘Khimji Kunverji & Co LLP’), Chartered Accountants, for the FY 2023-24 are as under:

(Amount in Thousands - ₹)

Type of Service	Amount
Statutory Audit	1100.00
Certifications and Other services	500.00
Out of Pocket Expenses	89.00

The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

**21. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has a Prevention of Sexual Harassment Policy for Women in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (“POSH Act”). All women employees (permanent, contractual, temporary, trainees) as well as women who visit

the premises of the Company for any purpose are covered under this Policy.

During the year under review and pursuant to Rule 8(5)(x) of the Companies (Accounts) Rules, 2014, your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the POSH Act.

#### Status of complaints as on March 31, 2024:

Sr. No.	Particulars	Number of Complaints
1	Number of complaints filed during the financial year	NIL
2	Number of complaints disposed of during the financial year	NIL
3	Number of complaints pending at the end of the financial year	NIL

## 22. ADDRESS FOR CORRESPONDENCE

Shareholders may correspond with the Company's Registrar and Share Transfer Agent viz. Link Intime India Private Limited for any assistance relating to dematerialization of shares, share transfers, transmissions, change of address, change in bank details, non- receipt of dividend or any other query relating to shares at the below mentioned address:

Link Intime India Private Limited,  
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083  
Tel. No.: 022-49186000  
Fax No.: 022-49186060  
Email: mumbai@linkintime.co.in

Shareholders may also contact the Company at the below mentioned address:

Mr. Santoshkumar Sharma  
Company Secretary & Compliance Officer  
IRIS Business Services Limited,  
T-231, Tower 2, 3<sup>rd</sup> Floor, International Infotech Park, Vashi Station, Vashi, Thane - 400 703, Maharashtra, India.  
Tel.: +91 22 6723 1000  
Fax: +91 22 2781 4434  
E-mail: cs@irisbusiness.com

## 23. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES

The Company received a Notice from BSE Limited ('BSE') on December 14, 2021 levying a fine of ₹ 11,800/- as per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 for non-compliance under Regulation 29(2) and 29(3) of SEBI Listing Regulations for delay in furnishing prior intimation of the meeting of the Board of Directors held on November 13, 2021 for considering the financial results for the quarter ended September 30, 2021.

On receipt of communication from BSE Limited ('BSE') on December 14, 2021, the Company made a representation of waiver of fine. BSE, declined the request for waiver upon which the Company had again made its representation. BSE's response and action were awaited on the same. Apart from the above, there were no other instances of non-compliance on any matter relating to capital markets, during the last three years nor any penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority.

## 24. ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The Company has prepared the Financial Statements in accordance with the Indian Accounting Standards (Ind AS) to comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act, as applicable.

## 25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report forms part of this Annual Report.

## 26. DISCLOSURE UNDER PART F OF SCHEDULE V OF THE SEBI LISTING REGULATIONS 2015 IN RESPECT OF UNCLAIMED SHARES

There were no unclaimed shares at the financial year ended on March 31, 2024 therefore, the disclosure under Part F of Schedule V of the SEBI Listing Regulations is not applicable.

## 27. TRANSFER OF AMOUNTS/ SHARES TO INVESTOR EDUCATION AND PROTECTION FUND ('IEPF')

The Company was not required to transfer any unpaid / unclaimed amount of dividend to IEPF during the financial year ended March 31, 2024.

## 28. SHARES HELD IN ELECTRONIC FORM

Members holding shares in electronic form may please note that:

- For the purpose of making cash payments to the investors through Reserve Bank of India (RBI) approved electronic mode of payment (such as ECS, NECS, NEFT, RTGS, etc.), relevant bank details available with the depositories will be used. Members are requested to update any change in their bank details with their Depository Participant (DP).
- Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.

## 29. SHARES HELD IN PHYSICAL FORM

To facilitate better servicing, Members holding shares in physical form are requested to notify/send to Company's Registrar and Share Transfer Agent any change in their address/mandate/bank details in which they wish their dividend to be credited, in case they have not been furnished earlier.

## 30. DISCLOSURE OF LOANS AND ADVANCES

The Company and its subsidiaries have not advanced any loans to firms / Companies in which the Directors of the Company are interested.

## 31. DETAILS OF MATERIAL SUBSIDIARIES

The company did not have any material subsidiaries during financial year 24.

## 32. CERTIFICATIONS

### a. Certificate from Secretarial Auditor

M/s. Priti J. Sheth & Associates, Company Secretaries have certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors, by the SEBI/Ministry of Corporate Affairs or any such other statutory authority (ies). The said certificate is enclosed to this report as "Annexure 7A".

### b. Declaration on affirmation with the Code of Conduct

A declaration signed by Mr. Swaminathan Subramaniam, Whole Time Director & CEO, stating that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, in accordance with Regulation 26(3) read with Para D of Part C of Schedule V of the SEBI Listing Regulations is enclosed to this report as "Annexure 7B".

### c. Certificate by CEO / CFO

A certificate received from Mr. Swaminathan Subramaniam, Whole Time Director & CEO and Mr. Balachandran Krishnan, Whole Time Director & CFO pursuant to Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations was placed before the Board at its Meeting held on May 18, 2024 and the same certificate is enclosed to this report as "Annexure 7C".

## 33. DISCLOSURES OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)

Your Company has complied with all the mandatory requirements of the SEBI Listing Regulations including Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations, and paras (2) to (10) mentioned in part 'C' of Schedule V of the SEBI Listing Regulations during the year under review.

## 34. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTISING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

Compliance certificate from M/s Priti J. Sheth & Associates, Practising Company Secretaries confirming compliance with the conditions of Corporate Governance for the year ended March 31, 2024 in terms of Schedule V (E) of the SEBI Listing Regulations is enclosed to this report as "Annexure 7D".

## 35. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10) OF PARA C TO SCHEDULE V OF THE LISTING REGULATIONS

The Company has complied with all the requirements Corporate Governance Report of sub-paras (2) to (10) of Para C to Schedule V of the Listing Regulations, to the extent applicable.

## 36. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The following non-mandatory requirements under Part E of Schedule II of the SEBI Listing Regulations to the extent they have been adopted are mentioned below:

- i. Office for non-executive Chairperson at company's expense : Not Applicable
- ii. Modified Opinion in Auditors Report: The Company's financial statements for the year 2023-24 does not contain any modified audit opinion. Your Company continues to adopt best practices to ensure regime of financial statements with unmodified audit qualifications.

- iii. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee. The Internal Auditor also participates in the meetings of the Audit Committee and also presents internal audit observations to the Audit Committee. The Chairperson of the Board is an Independent Director and his position is separate from that of the Chief Executive Officer.

promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the Company.

### 37. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING THE COMPANY

No agreements as stipulated under 5A of paragraph A of Part A of Schedule III have been entered by the shareholders,

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

**Swaminathan Subramaniam**

Whole Time Director & CEO  
(DIN: 01185930)

Date : May 18, 2024

Place : Navi Mumbai

**Deepta Rangarajan**

Whole Time Director  
(DIN: 00404072)

**Balachandran Krishnan**

Whole Time Director & CFO  
(DIN: 00080055)

## Annexure – 7A

**CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34 (3) and Schedule V Para C clause 10 (i) of the SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015)

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of IRIS Business Services Limited having CIN L72900MH2000PLC128943 and having registered office at T-231, Tower 2, 3<sup>rd</sup> Floor, International Infotech Park, Vashi Station, Vashi, Thane – 400703 (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority for the Financial Year ended on March 31, 2024.

For **Priti J. Sheth & Associates**  
Company Secretaries

**Priti J Sheth**

CP No: 5518

FCS: 6833

UDIN: F006833F000391690

Peer Review No : 1888/2022

Date: May 18, 2024

Place: Kiel

## Annexure – 7B

## DECLARATION

[Pursuant to Part D of Schedule V of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Members  
**IRIS Business Services Limited**

I, Swaminathan Subramaniam, Whole Time Director & CEO of IRIS Business Services Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Board of Directors in terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2024.

Place: Navi Mumbai  
Date : May 18, 2024

**Swaminathan Subramaniam**  
Whole Time Director & CEO  
DIN: 01185930

## Annexure – 7C

**CERTIFICATE BY CHIEF EXECUTIVE OFFICER /  
CHIEF FINANCIAL OFFICER**

[Pursuant to Regulation 17(8) of Schedule V of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Swaminathan Subramaniam, Whole Time Director & Chief Executive Officer and Balachandran Krishnan, Whole Time Director & Chief Financial Officer of IRIS Business Services Limited, to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended on March 31, 2024 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on March 31, 2024 which are fraudulent, illegal or violative of the Company's code of conduct;
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
- D. We have indicated to the auditors and the Audit committee, if any:
1. significant changes in internal control over financial reporting during the financial year ended on March 31, 2024;
  2. significant changes in accounting policies during the financial year ended on March 31, 2024 and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**Balachandran Krishnan**  
Whole Time Director & CFO  
DIN: 00080055

**Swaminathan Subramaniam**  
Whole Time Director & CEO  
DIN: 01185930

Place: Navi Mumbai  
Date : May 18, 2024

## Annexure – 7D

# CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

(Pursuant to SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015)

To

The Members

**IRIS Business Services Limited**

I have examined the compliance of the conditions of Corporate Governance by IRIS Business Services Limited ('the Company') for the year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**').

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024. I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Priti J. Sheth & Associates**  
Company Secretaries

**Priti J Sheth**

CP No: 5518

FCS: 6833

UDIN: F006833F000391844

Peer Review No : 1888/2022

Date: May 18, 2024

Place: Kiel

# Independent Auditor’s Report

To  
The Members of  
**IRIS Business Services Limited**

## Report on the audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying Standalone Financial Statements of IRIS Business Services Limited (‘the Company’), which comprise the Standalone Balance Sheet as at 31 March 2024, and the Standalone Statement of Profit And Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year ended on that date, and notes to the Standalone Financial Statements, including a summary of material accounting policy information and other explanatory information (‘the Standalone Financial Statements’).
2. 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 (‘Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (‘Ind AS’) and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31 March 2024, and its Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (‘SAs’) specified under section 143(10) of the Act.

Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

### Emphasis of Matter

4. Attention is invited to Note No. 5(a) to the Standalone Financial Statements regarding investment in subsidiary, IRIS Business Services LLC being carried at cost despite the liabilities thereof exceeding the total assets, having regards to business plans of that subsidiary and continued financial support from the Company.  
  
Our opinion is not modified in respect of the above matter.

### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
Revenue from Long Term Contracts:  Long Term Contracts with Customers include contracts with services components which include software development, maintenance, implementation, and licensing of software products. Certain contracts include rights to access to platforms offered by the company and support services.	Our audit procedures include as under: <ul style="list-style-type: none"><li>• Obtained an understanding of the systems, processes and controls implemented by the Company for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances.</li></ul>

Key Audit Matter	How the matter was addressed in our audit
<p>The recognition and measurement of revenue from such contracts is complex and involves application of several key judgments and estimates such as identification of multiple performance obligations embedded in the contracts, determination and allocation of transaction price to each component of services or performance obligation and determination of expected cost of completion these contracts at each reporting date.</p> <p>Also, such contracts require assessment of foreseeable losses and assessment of contract being onerous in nature.</p>	<ul style="list-style-type: none"> <li>• Examination of Selective Contracts and performing our analysis of identification of performance obligation, criteria of satisfaction of performance obligation and determination the expected revenue to be recognized and reconciling with amount recognized in the books of accounts.</li> <li>• Assessment of expected cost of completion considered by the company vide inquiries to management and examination of service details considered as component of expected cost. Analysis of assumption used and inquiring of expected variation or possible changes to expected cost of completion.</li> <li>• Examination of underlying details/records of cost incurred which includes tracing of expenditure incurred for each project.</li> <li>• Performing analytical procedure to identify any unusual deviation and inquiring rationale for such deviation.</li> </ul>

## Other Information

6. The Company's Board of Directors is 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. The Other Information is expected to be made available to us after the date of this auditor's report.
7. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained 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.
9. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the State of Affairs, profit and Other Comprehensive Income, Changes in Equity and

Cash Flows of the Company in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the Standalone Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud

or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

- 14.1. 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.
- 14.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- 14.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- 14.4. Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 14.5. 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.

15. 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.
16. 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.
17. 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 year 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.

## Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. As required by Section 143(3) of the Act, we report that:
  - 19.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 19.2. 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.
  - 19.3. The standalone balance sheet, the standalone statement of profit and loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - 19.4. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules thereunder.
  - 19.5. On the basis of the written representations received from the directors as on 31 March 2024 taken on record

by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- 19.6. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- 19.7. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.
20. 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - 20.1. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its Standalone Financial Statements – Refer Note to the Standalone Financial Statements.
  - 20.2. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note to the Standalone Financial Statements.
  - 20.3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - 20.4. The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

20.5. The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

20.6. Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under paragraphs 20.4 and 20.5 contain any material misstatement.

20.7. In our opinion and according to information and explanation given to us, the Company has not declared or paid dividend during the year, accordingly compliance with section 123 of the Act by the Company is not applicable.

20.8. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

**For KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

**Soorej Kombaht**

Partner

Place: Navi Mumbai

Date: 18 May 2024

ICAI Membership No.: 164366

UDIN: 24164366BKGQCB9296

## Annexure 'A' to the Independent Auditor's Report on the Standalone Financial Statements of IRIS Business Services Limited for the year ended 31 March 2024

(Referred to in paragraph 18 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE').

The Company is maintaining proper records showing full particulars of intangible assets.

- (b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner over a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The physical verification of tangible items was performed in previous year and accordingly no physical verification was carried out in current financial year.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not possess any such immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favor of the lessee) which are not held in the name of the Company. Accordingly, reporting under paragraph 3(i)(c) of the Order is not applicable.
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.
- (e) In our opinion and according to the information and explanations given to us and on the basis of

our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

- ii. (a) The Company is engaged in the business of providing services in connection with eXtensible Business Reporting Language (XBRL) and eXtensible Business Reporting Language (XBRL) conversions and consultancy, Software as a Service (SaaS), Data as a Services (DaaS) and Software products. The Company does not have any inventory, accordingly, reporting under paragraph 3(ii)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. Accordingly, reporting under paragraph 3(ii)(b) of the Order is not applicable.
- iii. (a) In our opinion and according to the information and explanations given to us, the Company has not made investments in, or provided any guarantee or security in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. During the year under report, the Company has granted unsecured advances in nature of loan to employees, the details of which are mentioned in the following table:

(Amount in Thousands - ₹)				
Particulars	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted/ provided during the year				
Subsidiaries	-	-	-	-
Joint Ventures	-	-	-	-
Associates	-	-	-	-
Others (Employees)	-	-	-	1,670
Balance outstanding as at balance sheet date in respect of above cases				
Subsidiaries	-	-	-	-
Joint Ventures	-	-	-	-
Associates	-	-	-	-
Others (Employees)	-	-	-	469

- (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of all loans and advances in the nature of loans provided to employees are not prejudicial to the Company's interest.
- (c) In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular during the year.
- (d) In our opinion and according to the information and explanations given to us, no amount is overdue in respect of loans and advances in the nature of loans given to employees.
- (e) In our opinion and according to the information and explanations given to us, neither loans or advances in nature of loans have been renewed or extended nor any fresh loans have been granted to settle the overdue of existing loans.
- (f) The Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act which are either repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or given any guarantee or provided any securities as covered under the provisions of section 185 of the Act. In respect of the investments made by the Company, the provisions of section 186 of the Act have been complied with.
- (b) In our opinion and according to the information and explanations given to us, we confirm that the following dues under Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, have not been deposited to/with the appropriate authority on account of any dispute.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The maintenance of Cost Records has not been specified by the Central Government under section 148(1) of the Act for the business activities / services carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(Amount in Thousands - ₹)

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Employee's Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	174	FY 2005 to FY 2007	Honorable High Court of Bombay	Nil

- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to banks, or in the payment of interest thereon. The Company has not taken any loan from Financial Institutions, government or from debenture holders during the year.

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year. Accordingly, paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, the Company has not raised any loans during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.
- xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.
- (b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistleblower complaints received by the Company during the year.
- xii. (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) (a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a CIC as defined in the regulations made by Reserve Bank of India.
- (d) In our opinion there is no core investment Company within the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Accordingly, paragraph 3(xvi) (d) of the order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable / paragraph 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a

period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. a) According to information and explanations given to us and based on our examination of the records of the Company, section 135 is not applicable. Accordingly, paragraph 3(xx) (a) of the Order is not applicable to the Company.
- (b) According to information and explanations given to us and based on our examination of the records of the Company, section 135 is not applicable. Accordingly, paragraph 3(xx) (b) of the Order is not applicable to the Company.

- xxi. In our opinion, paragraph 3(xxi) of the Order does not apply to the Standalone Financial Statements.

**For KKC & Associates LLP**

Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration Number: 105146W/W100621

**Soorej Kombaht**

Partner  
Place: Navi Mumbai  
Date: 18 May 2024  
ICAI Membership No.: 164366  
UDIN: 24164366BKGQCB9296

## **Annexure 'B' to the Independent Auditors' report on the Standalone Financial Statements of IRIS Business Services Limited for the year ended 31 March 2024**

(Referred to in paragraph '19.6' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').**

#### **Opinion**

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of IRIS Business Services Limited ('the Company') as at 31 March 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal controls 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 ('the Guidance Note').

#### **Management's responsibility for Internal Financial Controls**

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

#### **Auditor's responsibility**

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, 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 Standalone Financial Statements, whether due to fraud or error.
6. 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 with reference to the Standalone Financial Statements.

#### **Meaning of Internal Financial Controls with reference to the Standalone Financial Statements**

7. A company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Standalone Financial Statements include 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (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 Standalone Financial Statements.

## Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

8. Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, 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 with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may

become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### For KKC & Associates LLP

Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration Number: 105146W/W100621

### Soorej Kombaht

Place: Navi Mumbai  
Date: 18 May 2024

Partner  
ICAI Membership No.: 164366  
UDIN: 24164366BKGQCB9296

# Standalone Balance Sheet as at March 31, 2024

(Amount in Thousands - ₹)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>(I) ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3a	15,058	11,535
(b) Right-of-Use-Assets	3b	95,083	89,128
(c) Other Intangible Assets	4a	16,212	34,522
(d) Intangible Assets under Development	4b	29,363	16,104
(e) Financial Assets			
(i) Investments	5	26,100	26,100
(ii) Loans	10	-	-
(iii) Other Financial Assets	6	2,266	713
(f) Deferred Tax Assets (Net)	16	11,500	-
(g) Other Non Current Assets	11	-	-
<b>Total Non-Current Assets</b>		<b>1,95,582</b>	<b>1,78,102</b>
<b>(2) CURRENT ASSETS</b>			
(a) Financial Assets			
(i) Trade Receivables	7	2,09,722	2,35,402
(ii) Cash and Cash Equivalents	8	83,396	34,054
(iii) Bank Balances other than Cash and Cash Equivalents above	9	22,405	24,632
(iv) Loans	10	469	128
(v) Other Financial Assets	6	1,10,336	36,718
(b) Current Tax Assets (Net)		6,185	29,869
(c) Other Current Assets	11	1,32,707	1,51,147
<b>Total Current Assets</b>		<b>5,65,220</b>	<b>5,11,950</b>
<b>TOTAL ASSETS</b>		<b>7,60,802</b>	<b>6,90,052</b>
<b>(II) EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	12a	1,93,612	1,93,612
(b) Other Equity	12b	2,40,909	1,50,925
<b>Total</b>		<b>4,34,521</b>	<b>3,44,537</b>
<b>LIABILITIES</b>			
<b>(1) NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	13	-	-
(ii) Lease Liabilities	14	8,583	1,235
(iii) Other Financial Liabilities	18	-	-
(b) Provisions	15	60,688	55,777
(c) Deferred Tax Liabilities (Net)	16	-	-
(d) Other Non Current Liabilities	19	-	-
<b>Total Non-Current Liabilities</b>		<b>69,271</b>	<b>57,012</b>
<b>(2) CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	13	54,347	54,558
(ii) Lease Liabilities	14	1,724	1,300
(iii) Trade Payables	17		
(a) Total outstanding dues of micro and small enterprises		3,219	3,293
(b) Total outstanding dues of creditors other than micro and small enterprises		20,450	7,193
(iv) Other Financial Liabilities	18	68,368	1,02,585
(b) Other Current Liabilities	19	80,918	99,353
(c) Provisions	15	27,984	20,221
(d) Current Tax Liabilities (Net)		-	-
<b>Total Current Liabilities</b>		<b>2,57,010</b>	<b>2,88,503</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,60,802</b>	<b>6,90,052</b>

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

As per our report of even date attached

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

**For and on behalf of the Board of Directors of IRIS Business Services Limited**  
(CIN: L72900MH2000PLC128943)

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

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

Place: Navi Mumbai  
Date: May 18, 2024

**Deepta Rangarajan**  
Whole Time Director  
(DIN: 00404072)

**Santoshkumar Sharma**  
Company Secretary  
(Membership No: ACS 35139)

**Soorej Kombaht**  
Partner  
ICAI Membership No: 164366

Place: Navi Mumbai  
Date: May 18, 2024

# Standalone Statement of Profit and Loss for the year ended March 31, 2024

(Amount in Thousands - ₹)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>(I) INCOME</b>			
(a) Revenue from Operations	20	9,68,460	6,75,433
(b) Other Income	21	6,286	12,110
<b>Total Income</b>		<b>9,74,746</b>	<b>6,87,543</b>
<b>(II) EXPENSES</b>			
(a) Employee Benefits Expense	22	4,89,984	3,89,857
(b) Finance Costs	23	11,036	9,785
(c) Depreciation and Amortisation Expense	24	44,279	46,792
(d) Other Expenses	25	3,33,533	1,95,514
<b>Total Expenses</b>		<b>8,78,832</b>	<b>6,41,948</b>
<b>(III) Profit before tax (I-II)</b>		<b>95,914</b>	<b>45,595</b>
<b>(IV) Tax Expense</b>			
(a) Current Tax		24,500	8,822
(b) Deferred Tax		(11,500)	-
<b>Total Tax Expenses</b>		<b>13,000</b>	<b>8,822</b>
<b>(V) Profit for the year (III-IV)</b>		<b>82,914</b>	<b>36,773</b>
<b>(VI) Other Comprehensive Income</b>			
<b>(A) (i) Items that will not be reclassified to Profit or Loss (net of taxes)</b>			
(a) Remeasurements gain / (loss) on defined benefit obligations		(2,065)	(5,453)
(b) Equity Instruments at fair value through other comprehensive income		-	-
<b>(B) (i) Items that will be reclassified to Profit and Loss (net of taxes)</b>			
(a) Fair Value Changes on Derivatives Designated as cash flow hedge		2,577	(300)
<b>(VII) Total Comprehensive Income for the year (V+VI)</b>		<b>83,426</b>	<b>31,020</b>
Earnings per equity share of face value of ₹ 10 each			
Basic (₹)	34	4.28	1.91
Diluted (₹)	34	4.25	1.90

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

As per our report of even date attached

## For KKC & Associates LLP

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W / W100621

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

(CIN:L72900MH2000PLC128943)

## Swaminathan Subramaniam

Whole Time Director & CEO

(DIN: 01185930)

## Balachandran Krishnan

Whole Time Director & CFO

(DIN: 00080055)

Place: Navi Mumbai

Date: May 18, 2024

## Deepta Rangarajan

Whole Time Director

(DIN: 00404072)

## Santoshkumar Sharma

Company Secretary

(Membership No: ACS 35139)

## Soorej Kombaht

Partner

ICAI Membership No: 164366

Place: Navi Mumbai

Date: May 18, 2024

# Standalone Statement of cash flows for the year ended March 31, 2024

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Cash Flows from Operating Activities</b>		
Profit/(loss) for the year	82,914	36,773
<b>Adjustments for:</b>		
Depreciation and amortisation expense	44,279	46,792
Income Tax Expense	13,000	8,822
Loss / (profit) on sale / disposal of property, plant and equipment	(10)	(280)
Expense on Employee Stock Option Scheme	6,973	4,339
Allowance for diminution in the value of Investments	-	984
Bad debts written off	-	894
Allowance for doubtful trade receivables	6,852	4,100
Sundry Balance Written-Off	32	89
Sundry Creditors Balance W/back	(228)	-
Finance costs	11,036	9,785
Interest income (Note no. 21)	(3,704)	(2,346)
<b>Operating profit / (loss) before working capital changes</b>	<b>1,61,144</b>	<b>1,09,952</b>
<b>Changes in operating assets and liabilities</b>		
(Increase) / decrease in trade receivables	18,828	(91,932)
(Increase) / decrease in loans	(341)	158
Increase / (decrease) in trade payables	13,182	(5,268)
(Increase) / decrease in other financial assets	(73,009)	(12,621)
(Increase) / decrease in other assets	18,142	(14,125)
Increase / (decrease) in provisions	10,610	2,557
Increase / (decrease) in other financial liabilities	(34,217)	48,220
Increase / (decrease) in other liabilities	(18,435)	15,398
<b>Cash inflow / (outflow) from operating activity</b>	<b>95,904</b>	<b>52,339</b>
Taxes paid (net)	(817)	(13,760)
<b>Net cash inflow / (outflow) from operating activities - Total (A)</b>	<b>95,087</b>	<b>38,579</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment, intangibles and capital work in progress	(38,732)	(21,205)
Sale of property, plant and equipment and capital work in progress	10	280
Bank deposits with original maturity of more than 3 months	2,227	1,803
Interest received	3,405	2,415
<b>Net cash inflow / (outflow) from investing activities - Total (B)</b>	<b>(33,090)</b>	<b>(16,707)</b>

# Standalone Statement of cash flows

for the year ended March 31, 2024

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of equity share capital under ESOP Scheme	-	1,430
Securities premium received on issue of shares	-	3,146
Repayment of Lease Liabilities	(1,966)	(703)
(Repayment) / proceeds from short term borrowings (net)	(211)	(10,299)
Interest paid on bank loans and others	(10,478)	(9,022)
<b>Net cash inflow / (outflow) from financing activities - Total (C)</b>	<b>(12,655)</b>	<b>(15,448)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>49,342</b>	<b>6,424</b>
<b>D. Cash and cash equivalents as at the beginning of the year</b>	<b>34,054</b>	<b>27,630</b>
<b>E. Cash and cash equivalents as at the end of the year (Refer note 8)</b>	<b>83,396</b>	<b>34,054</b>

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

As per our report of even date attached

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Reconciliation of Cash and cash equivalents at the end of the year</b>		
Cash and cash equivalents as per balance sheet	83,396	34,054
Cash and cash equivalents as per cash flow statement	83,396	34,054

**Note:**

- i) Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) - 7 "Statement of Cash Flows" prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 of the Companies Act, 2013.

**For KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W / W100621

**Soorej Kombaht**

Partner

ICAI Membership No: 164366

Place: Navi Mumbai

Date: May 18, 2024

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

(CIN:L72900MH2000PLC128943)

**Swaminathan Subramaniam**

Whole Time Director & CEO

(DIN: 01185930)

**Balachandran Krishnan**

Whole Time Director & CFO

(DIN: 00080055)

Place: Navi Mumbai

Date: May 18, 2024

**Deepta Rangarajan**

Whole Time Director

(DIN: 00404072)

**Santoshkumar Sharma**

Company Secretary

(Membership No: ACS 35139)

# Standalone Statement of Changes in Equity for the year ended March 31, 2024

## A. Equity Share Capital (Refer Note no. 12a)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance as at April 01, 2023</b>	<b>1,93,612</b>	<b>1,92,182</b>
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the reporting period	-	-
Changes in equity share capital during the current year	-	1,430
<b>Balance as at March 31, 2024</b>	<b>1,93,612</b>	<b>1,93,612</b>

(Amount in Thousands - ₹)

## B. Other Equity (Refer Note no. 12b)

### (1) Current Reporting Period for the year ended March 31, 2024

Particulars	Securities Premium	Share based payment Reserve	General Reserve	Retained Earnings	Other Components of Equity	Total Other Equity
					Cash Flow Hedge	Others #
<b>Balance as at April 01, 2023</b>	<b>1,24,936</b>	<b>4,371</b>	<b>475</b>	<b>41,973</b>	<b>(2,889)</b>	<b>(17,941)</b>
Profit / (Loss) for the year	-	-	-	82,914	-	-
Other Comprehensive Income / (Loss) (net of tax)	-	-	-	-	2,577	(2,065)
<b>Total Comprehensive Income / (Loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,914</b>	<b>2,577</b>	<b>(2,065)</b>
Share-based payments	-	6,973	-	-	-	-
Add : Securities premium credited on share issue	-	-	-	-	-	-
Less: Transfer on exercise / cancellation of stock options	-	-	-	-	-	-
Less: Derecognition of financials assets	-	-	-	-	(415)	-
<b>Balance as at March 31, 2024</b>	<b>1,24,936</b>	<b>11,344</b>	<b>475</b>	<b>1,24,887</b>	<b>(727)</b>	<b>(20,006)</b>
						<b>2,40,909</b>

(Amount in Thousands - ₹)

# Others represent the measurement of defined benefit plan

# Standalone Statement of Changes in Equity for the year ended March 31, 2024

## (2) Previous Reporting Period for the year ended March 31, 2023

(Amount in Thousands - ₹)

Particulars	Securities Premium	Share based payment Reserve	General Reserve	Retained Earnings	Other Components of Equity		Total Other Equity
					Cash Flow Hedge	Others #	
<b>Balance as at April 01, 2022</b>	<b>1,20,768</b>	<b>1,111</b>	<b>475</b>	<b>5,144</b>	<b>711</b>	<b>(12,488)</b>	<b>1,15,721</b>
Profit / (Loss) for the year	-	-	-	36,773	-	-	36,773
Other Comprehensive Income / (Loss) (net of tax)	-	-	-	-	(300)	(5,453)	(5,753)
<b>Total Comprehensive Income / (Loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,773</b>	<b>(300)</b>	<b>(5,453)</b>	<b>31,020</b>
Share-based payments	-	4,339	-	-	-	-	4,339
Add : Securities premium credited on share issue	4,168	-	-	-	-	-	4,168
Less: Transfer on exercise / cancellation of stock options	-	(1,079)	-	56	-	-	(1,023)
Less: Derecognition of financials assets	-	-	-	-	(3,300)	-	(3,300)
<b>Balance as at March 31, 2023</b>	<b>1,24,936</b>	<b>4,371</b>	<b>475</b>	<b>41,973</b>	<b>(2,889)</b>	<b>(17,941)</b>	<b>1,50,925</b>

# Others represent the measurement of defined benefit plan

## The accompanying material accounting policies and notes form an integral part of the standalone financial statements

As per our report of even date attached

### For KKC & Associates LLP

Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration Number: 105146W / W100621

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

(CIN:L72900MH2000PLC128943)

#### Swaminathan Subramaniam

Whole Time Director & CEO  
(DIN: 01185930)

#### Deeptha Rangarajan

Whole Time Director  
(DIN: 00404072)

#### Soorej Kombaht

Partner  
ICAI Membership No: 164366

#### Balachandran Krishnan

Whole Time Director & CFO  
(DIN: 00080055)

#### Santoshkumar Sharma

Company Secretary  
(Membership No: ACS 35139)

Place: Navi Mumbai

Date: May 18, 2024

Place: Navi Mumbai

Date: May 18, 2024

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## 1. Corporate Information:

IRIS Business Services Limited ("the Company" or "IRIS") is a public limited company domiciled and incorporated in India under the provisions of erstwhile Companies Act, 1956 with its registered office at 3<sup>rd</sup> Floor, International Infotech Park, Tower 2, Vashi, Navi Mumbai, Maharashtra. The Equity shares of the company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

IRIS primarily offers Regtech solutions to regulators and enterprises. Regulators include Central Banks, Business Registries, Capital Market Regulators and Stock Exchanges while regulated entities include Corporates, Banks, and Mutual Funds. The Company is one of the pioneers in providing an entire range of XBRL products and solutions to organizations across the globe. In addition, the Company also offers an array of tax technology solutions in the Indian market, addressing GST compliance requirements. The Company's XBRL based software and adjacent solutions for enterprise CFO office include SaaS based software products for authoring and assisted services related to converting structured and unstructured data into XBRL. The Company offers workflow-based e-filing software solutions for Regulators, especially those in Capital Markets and Banking, including consulting and training services, taxonomy development and testing service.

The Standalone financial statements of the Company for the year were approved and adopted by Board of Directors in its meeting held on May 18, 2024.

## 2. Material Accounting Policies:

### 2.1 Statement of Compliance and Basis of preparation and presentation of standalone financial statements

The standalone financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as amended, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and as per the requirements of Schedule III (Division II) of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

These Standalone Financial Statements have been prepared and presented on the going concern basis and on historical cost basis on accrual basis except for certain financial instruments and defined benefits plans which are measured at Fair value or amortised cost at the end of each reporting period

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Accounting policies have been consistently applied.

The Standalone Balance Sheet and the Standalone Statement of Profit and Loss, Standalone Statement of Other Comprehensive Income, Standalone Statement of Changes in Equity are prepared and presented in the format prescribed in Division II of Schedule III to the Act. The Standalone Statement of Cash Flows has been prepared and presented under indirect method as per Ind AS 7 "Statement of Cash Flows".

### 2.2 Use of estimates and judgment:

The preparation of the standalone financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Key sources of estimation of uncertainty at the date of the standalone financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

### 2.3 Functional and Presentation Currency:

The standalone financial statements are presented in Indian Rupees which is the functional currency of the company, and all values are rounded to the nearest thousands except otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

### 2.4 Classification of Assets and Liabilities into Current/Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013.

#### Operating cycle

Based on the nature of products and the time lag between the development of the products, providing of services, and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months as its normal operating cycle for the purpose of classification of its Assets and Liabilities into Current and Non-Current.

### 2.5 Revenue Recognition:

The Company derives revenues from Software Products, Solutions & Services.

#### i. Revenues from software products, in the form of:

- a) Software licensing
- b) Subscription of software as a service
- c) Application maintenance service

#### ii. Revenue from Software services are mainly in the form of Implementation services/Professional services.

Revenue is recognized in the standalone statement of profit and loss upon transfer of control of promised products or services to customers at transaction price i.e. an amount that reflects the consideration which the Company expects to receive in exchange for those services or products and excluding taxes or duties.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Company allocates the contract value to separately identifiable performance obligations based on their relative stand-alone selling price (mostly as reflected in the contracts) or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Company is unable to determine the stand-alone selling price, the Company uses expected cost-plus margin approach in estimating the stand-alone selling price. For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided. The method for recognizing revenues depends on the nature of the products sold / services rendered.

#### A) Revenue from Software Products:

##### i. Software Licensing:

Software licensing revenues represent all fees earned from granting customers licenses to use the Company's software, through initial licensing and or through the purchase of additional modules. For software license arrangements that do not require significant modification or customization of the underlying software, revenue is recognized on delivery of the software and when the customer obtains a right to use such licenses.

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## **ii. Subscription for Software as a Service:**

Subscription fees for offering the hosted software as a service are recognized as revenue ratably on straight line basis, over the term of the subscription arrangement.

## **iii. Application Maintenance Services:**

Fees for the application maintenance services, covering inter alia the support of the customized software, are recognized as revenue ratably on straight line basis, over the term of the support arrangement.

## **B) Revenue from Software Services:**

### **i. Product Support Services:**

Fees for product support services, covering inter alia improvement and upgradation of the basic Software, whether sold separately (e.g., renewal period AMC, GST and subscription services) or as an element of a multiple-element arrangement, are recognized as revenue ratably on straight line basis, over the term of the support arrangement.

### **ii. Implementation / Professional Services:**

Software Implementation / Professional Services contracts are either fixed price or time based. Revenues from fixed price contracts, where the performance obligations are satisfied over time, are recognized using the “percentage of completion” method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. The performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. Where the Software is required to be substantially customized as part of the implementation service, the entire fee for licensing and implementation services is considered to be a single performance obligation and the revenue is recognized using the percentage of completion method as the implementation services are performed. Revenues from implementation services in respect of hosting contracts are to be recognized as revenue ratably over the longer of the contract term or the estimated expected life of the customer relationship.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the standalone statement of profit and loss in the period in which such losses become probable based on the current contract estimates as a contract provision. In the case of time and material contracts, revenue is recognized based on billable time spent in the project, priced at the contractual rate. Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively as a separate contract if the additional services are priced at the standalone selling price.

Non-refundable one-time upfront fees for enablement / application installation, consisting of standardization set-up, initiation or activation or user login creation services in the case of hosting contracts, are recognized once the customer obtains a right to access and use the Software.

## **C) Contract assets, liabilities and financing arrangements:**

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on implementation / professional services contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones (which we refer to as unbilled services revenue). Unbilled revenues on software licensing are classified as a financial asset where the right to consideration is unconditional upon passage of time (which we refer to as unbilled licenses revenue).

A contract liability is an entity's obligation to transfer software products or software services to a customer for which the entity has received consideration (or the amount is due) from the customer (which we refer to as unearned revenue). The Company assesses the timing of the transfer of software products or software services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

### 2.6 Other Income:

- i. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

### 2.7 Employee Benefit expenses

#### a) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized as an expense at the undiscounted amount in the Standalone Statement of Profit and Loss in the period in which the employee renders the related service on accrual basis. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### b) Post-employment benefits

##### 1. Defined Contribution Plan – Provident Fund

The defined contribution plan is post - employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme, and Labour Welfare Fund. The Company's contribution to defined contribution plans are recognized in the Standalone Statement of Profit and Loss in the period in which employee renders the related service.

##### 2. Defined Benefit Plan – Gratuity

The obligation in respect of defined benefit plans, which covers Gratuity Plan, is provided for on the basis of an actuarial valuation at the end of each financial year which represents the present value of the defined benefit obligation reduced by the fair value of scheme assets. The employees are covered under the Company Gratuity Scheme of the Life Insurance Corporation of India.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Standalone Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Standalone Statement of Profit and Loss.

Defined benefit costs include service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements), net interest expense or income; and re-measurement. The service cost and net interest expense or income are presented in the Standalone Statement of Profit and Loss.

The liability for Gratuity is ascertained as at the end of the financial year, based on the actuarial valuation by an independent external actuary as at the reporting date using the "projected unit credit method"

The discounted rates used for determining the present value are based on the market yields on Government bonds as at the reporting date. Actuarial gains and losses are recognized in other comprehensive income, net of taxes, for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring cost or termination benefits. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

##### 3. Other Long Term Employee Benefit Obligations:

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

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

leave encashment is recognised based on an independent actuarial valuation at the reporting date. The expense is recognised in the standalone statement of profit and loss at the present value of the amount payable determined based on actuarial valuation using "projected unit credit method".

The obligation is measured at the present value of estimated future cash flows.

The rate used to discount defined benefit obligation is determined by reference to market yields at the reporting date on Indian Government Bonds for the estimated term of obligations.

## 2.8 Share based payment arrangements:

Stock options granted to employees of the Company 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 relevant Ind AS and as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments.

The fair value determined at the grant date of the equity-settled share-based payments, is charged to Standalone Statement of Profit and Loss on the straight-line basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The employee stock option outstanding account is shown net of unamortised deferred employee compensation expenses.

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 fair value has been calculated using the Black Scholes Option Pricing model.

## 2.9 Property, Plant and Equipment

The expenditure incurred for acquisition or development of Property, Plant & Equipment is recognised as asset if, and only if when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, Plant & Equipment are stated at cost less accumulated depreciation and accumulated impairment losses/allowances, if any.

The initial cost of Property, Plant & Equipment comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the Property, Plant & Equipment's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. The carrying amount of any component accounted for as separate asset is recognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

The carrying amount of an item of Property, Plant & Equipment is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the de-recognition of an item of Property, Plant & Equipment is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Statement of Profit and Loss.

If significant parts of an item of Property, Plant & Equipment have different useful lives, then they are accounted for as separate items of Property, Plant & Equipment.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Depreciation method, Estimated useful lives and residual value

Depreciation on Property, Plant & Equipment is the systematic allocation of the depreciable amount over its estimated useful lives and is provided on a straight-line basis from the date the same are available for use. Useful life of Property, Plant & Equipment is in accordance with the useful lives prescribed in Schedule II of the Companies Act, 2013 (as amended).

Pursuant to the adoption of Ind AS, the Company has not revised its estimate useful life of property, plant & equipment and they continue to remain the same basis the table given below:

Assets type	Useful life (in Years)
Laptops and Desktops	3
Servers and network	6
Office equipment	5
Furniture	10

Depreciation on Property, Plant & Equipment acquired/ disposed-off during the year is provided on pro-rata basis with reference to the date of acquisition/disposal.

Items of Property, Plant & Equipment having cost of ₹ 5,000 or less are depreciated fully in the year of purchase/capitalisation.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate is accounted for on a prospective basis.

### Intangible Assets

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to that asset will flow to the Company and the cost of the item can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Directly attributable costs, that are capitalised as part of the software development include employee costs and an appropriate portion of relevant overheads or expenses.

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Standalone Statement of Profit and Loss.

### Intangible Assets under Development

Intangible assets under development are stated at cost less accumulated impairment losses, if any.

Expenses incurred on in-house development of courseware and products are shown as Intangible asset under development till the asset is ready to use. Their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Ind AS 38, "Intangible Assets".

### Amortisation

Amortization is recognised over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use, as under:

Assets type	Useful life (in Years)
Software	5

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on a prospective basis.

### Software development costs

Research costs are expensed as incurred. Software development expenditures on product / platform are recognised as intangible assets when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses, if any. Amortization of these assets begins from the year, following the year in which such development costs are incurred. Amortization expense is recognised in the standalone statement of profit and loss unless such expenditure forms part of carrying value of another asset. Costs incurred in the development of the product, together with repository of new business components, upon completion of the development phase, have been classified and grouped as "Product software" under intangible assets. The costs which can be capitalized include direct labour, license costs and overhead costs that are directly attributable for the development of the intangible asset for its intended use.

## 2.10 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### As a Lessee

The Company's leased assets consist of leases for office buildings and computers. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss if any, is recognised in Statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### Short-term leases and leases of low-value assets:

The Company has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an operating expense as per the terms of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 2.11 Borrowing Costs:

Borrowing cost includes interest expense, amortisation of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, development or production of a qualifying asset are capitalised as part of cost of that asset, till such time the asset is ready for the intended use. All other borrowing costs are recognized as an expense in the period which are incurred and are charged to the Statement of Profit & Loss.

The exchange differences arising from the foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs, are regrouped from foreign exchange differences to finance costs.

### 2.12 Derivate Contracts and Accounting:

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. The Company does not hold financial instruments for speculative purpose.

#### Hedge Accounting –

- The Company designates certain hedging instruments in respect of foreign currency risk as cash flow hedges. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk
- The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in the statement of profit and loss.
- Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

- Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in the statement of profit and loss.

## 2.13 Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

## 2.14 Income Tax

Income tax comprises current tax expense and the net change in the deferred tax asset or liability during the year. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

### i. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date in each of the applicable jurisdictions. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

### ii. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax liabilities are generally recognised for all taxable temporary differences. The company recognises deferred tax assets only when it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## iii. Minimum Alternate Tax (MAT):

MAT 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. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Standalone Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented as Deferred Tax Asset.

## 2.15 GST Input Tax Credit

Goods and Service tax Input tax credit is accounted in the books in the period in which supply of goods or service received is accounted and when there is no uncertainty in availing/utilizing the credits. 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 reporting date was disclosed as other current asset in the Balance Sheet.

## 2.16 Foreign Currency Transactions:

- Transactions denominated in foreign currencies are recognised at the exchange rates prevailing on the date of the transactions. As at reporting date, monetary assets and liabilities designated in foreign currency are translated at the closing exchange rate. Foreign currency non-monetary items measured at fair value on initial recognition are translated at the prevailing exchange rate as at the date of initial transactions foreign currency nonmonetary items measured in terms of historical cost are not translated at the reporting date.
- Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets (tangible/ intangible) under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and exchange differences on transactions entered into in order to hedge certain foreign currency risks. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.
- Foreign currency gain/loss are reported on a net basis

## 2.17 Provisions, Contingent Liabilities, Contingent Assets:

### i. Provisions

A provision is recognized when the Company has a present obligation (Legal or Constructive) as a result of past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date, unless the effect of time value of money is material. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realized. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Further, long term provisions are determined by discounting the expected future cash flow specific to the liability. The unwinding of the discount is recognised as a finance cost.

## ii. Onerous Contracts:

A contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

## iii. Contingent Liabilities and Assets:

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. The Company uses significant judgement to disclose contingent liabilities. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

A contingent asset is disclosed, where an inflow of economic benefits is probable. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

## 2.18 Earnings Per Share:

The Basic earnings per share is computed by dividing the net profit or loss (before other comprehensive income) for the year attributable to equity shareholders after deducting attributable taxes by the weighted average number of equity shares outstanding during the year/ reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, amalgamations, bonus element in a rights issue, buyback, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year, as adjusted for the effects of potential dilution of equity shares, by the weighted average number of equity shares and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

## 2.19 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

### i. Initial Recognition

Financial assets and financial liabilities are initially measured at fair value except for trade receivables which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are adjusted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

### ii. Classification and Subsequent Measurement:

#### • Financial Assets -

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of following:

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets

### a. Amortised Cost

A financial asset shall be classified and measured at amortised cost (based on Effective Interest Rate method), if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash and bank balances, trade receivables, loans and other financial assets of the Company are covered under this category.

### b. Fair Value through Other Comprehensive Income

A financial asset shall be classified and measured at Fair Value Through Other Comprehensive Income, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

### c. Fair Value through Profit or Loss

A financial asset shall be classified and measured at Fair Value Through Profit or Loss unless it is measured at amortised cost or at Fair Value Through Other Comprehensive Income.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### Equity Instruments:

Equity investments in Subsidiaries, Associates and Joint ventures are out of scope of Ind AS 109, "Financial Instruments" and hence, the Company has accounted for its investment in Subsidiaries, Associates and Joint Ventures at cost.

### Impairment of non-financial assets (Property, Plant & Equipment/ Intangible assets)

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that any assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

reduced to its recoverable amount. An impairment loss is recognized immediately in the Standalone Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Standalone Statement of Profit and Loss.

## **Impairment of financial assets**

Financial assets, other than those at Fair Value Through Profit or Loss, are assessed for indicators of impairment at the end of each reporting period.

The Company assesses on a forward-looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies 'simplified approach' as specified under Ind AS 109, "Financial Instruments", which requires expected lifetime losses to be recognized from initial recognition of the receivables. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience and is adjusted for forward looking estimates.

## **Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset (other than specific equity instrument classified as Fair Value Through Other Comprehensive Income) in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in standalone statement of profit or loss if such gain or loss would have otherwise been recognised in standalone statement of profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in standalone statement of profit or loss if such gain or loss would have otherwise been recognised in standalone statement of profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

- Financial Liabilities and Equity Instruments:

## **Classification as Debt or Equity:**

Debt and equity instruments, issued by the Company, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument prescribed under Indian Accounting Standards.

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

## Financial Liabilities:

Financial liabilities are classified, at initial recognition as fair value through profit or loss:

- Loans and borrowings,
- Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, are recognised net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

## Subsequent Measurement:

The measurement of financial liabilities depends on their classification, as described below

### Financial Liabilities at Fair Value Through Profit or Loss:

Financial liabilities at Fair Value Through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at Fair Value Through Profit or Loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 "Financial Instruments". Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

### Gains or losses on liabilities held for trading are recognised in the Standalone Statement of Profit and Loss.

Financial liabilities, designated upon initial recognition at Fair Value Through Profit or Loss, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 "Financial Instruments" are satisfied.

## Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Standalone Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Standalone Statement of Profit and Loss.

## Derecognition of Financial Liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Standalone Statement of Profit and Loss.

## Offsetting

Financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously and are not prohibited under any Ind AS or applicable law.

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## 2.20 Segment Reporting:

Based on Management approach, as defined in Ind AS 108 “Operating Segments”, the “Chief Operating Decision Maker” (CODM) evaluates the operating segments. Operating segments are reported in a manner consistent with the internal reporting provided to CODM. Operating Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Geographical segment is identified based on geography in which major products of the Company are sold or services are provided.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to the segments based on their relationship to the operating activities of the segment. Unallocated Corporate Items include general corporate income and expenses which are not attributable to segments.

## 2.21 Cash Dividend to Equity Holders of the Company:

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## 2.22 Critical Accounting Judgements and Key Sources of Estimation Uncertainty:

The preparation of the standalone financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### Key Estimates, Assumptions and Judgements

The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

### Useful Life & Residual of Property, Plant and Equipment (PPE) and Intangible Assets

Property, Plant and Equipment/ Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. Depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

### Recognition & Measurement of Current Taxes and Deferred Taxes

- i. Measurement of income taxes for the current period are done based on applicable tax laws and management's judgment by evaluating positions taken in tax returns, interpretations of relevant provisions of law, and based on the admissibility of various expense while determining the provisions for income tax.
- ii. Significant management judgment is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### Recognition and Measurement of Contingent Liabilities

Management judgment is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims/ litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances to reflect the current tax estimate.

### Impairment of financial assets

The impairment of financial assets including allowance for expected credit loss is done based on assumptions about risk of default and expected cash loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgment considering the past history, market conditions and forward-looking estimates at the end of each reporting date.

### Impairment of Investments in Subsidiaries

The Company assesses investments in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the investment in subsidiary. If the recoverable amount of the investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the standalone statement of profit and loss. The recoverable amount is based on management judgement considering realizable value, future cashflows, discount rates and the risks specific to the asset.

### Measurement of Defined Employee Benefit plans and other long term benefits

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rate are reasonable. Due to the complexities involved in the valuation and considering its long term nature, this obligation is highly sensitive to changes in these assumptions.

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is exercised in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### Share based payments

The Company initially measures the equity settled transactions with employees using fair value model. This requires determination of most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including volatility and dividend yield and making assumptions about them.

### Revenue recognition

The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company applies the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts, which are performed over a period of time. The Company exercises judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation. The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Judgment is also required to determine the transaction price for the contract. The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

### Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 “Leases”. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the noncancellable term of a lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has lease contracts that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset). The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment or which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note 3a : Property, Plant and Equipment

(Amount in Thousands - ₹)

Particulars	Owned Assets			Total
	Plant and Equipment (Computer Equipments)	Furniture and Fixtures	Office Equipment	
<b>Gross Carrying Value</b>				
<b>As at April 01, 2023</b>	40,678	2,752	5,333	48,763
Additions	11,027	272	47	11,346
Disposals / Adjustments	(114)	(150)	(4)	(268)
<b>As at March 31, 2024</b>	<b>51,591</b>	<b>2,874</b>	<b>5,376</b>	<b>59,841</b>
<b>Accumulated Depreciation</b>				
<b>As at April 01, 2023</b>	30,054	2,752	4,422	37,228
Depreciation for the year	7,480	160	203	7,843
Disposals / Adjustments	(133)	(150)	(5)	(288)
<b>As at March 31, 2024</b>	<b>37,401</b>	<b>2,762</b>	<b>4,620</b>	<b>44,783</b>
<b>Net Carrying Value As at March 31, 2024</b>	<b>14,190</b>	<b>112</b>	<b>756</b>	<b>15,058</b>
<b>Gross Carrying Value</b>				
<b>As at April 01, 2022</b>	65,524	3,141	4,741	73,406
Additions	7,670	-	1,296	8,966
Disposals / Adjustments	(32,516)	(389)	(704)	(33,609)
<b>As at March 31, 2023</b>	<b>40,678</b>	<b>2,752</b>	<b>5,333</b>	<b>48,763</b>
<b>Accumulated Depreciation</b>				
<b>As at April 01, 2022</b>	57,955	3,002	4,736	65,693
Depreciation for the year	4,615	139	31	4,785
Disposals / Adjustments	(32,516)	(389)	(345)	(33,250)
<b>As at March 31, 2023</b>	<b>30,054</b>	<b>2,752</b>	<b>4,422</b>	<b>37,228</b>
<b>Net Carrying Value As at March 31, 2023</b>	<b>10,624</b>	<b>-</b>	<b>911</b>	<b>11,535</b>

(i) There are no restriction on the use of the above mentioned assets and none of these assets are pledged as security

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note 3b : Right-of-Use-Assets

(Amount in Thousands - ₹)

Particulars	Building #	Laptops	Office	Total
<b>Gross Carrying Value</b>				
<b>As at April 01, 2023</b>	1,07,094	2,377	2,346	1,11,817
Additions	-	-	11,464	11,464
Disposals / Adjustments	-	-	(2,346)	(2,346)
<b>As at March 31, 2024</b>	<b>1,07,094</b>	<b>2,377</b>	<b>11,464</b>	<b>1,20,935</b>
<b>Accumulated Depreciation</b>				
<b>As at April 01, 2023</b>	20,384	1,849	456	22,689
Depreciation for the year	1,945	528	1,537	4,010
Disposals	-	-	(847)	(847)
<b>As at March 31, 2024</b>	<b>22,329</b>	<b>2,377</b>	<b>1,146</b>	<b>25,852</b>
<b>Net Carrying Value As at March 31, 2024</b>	<b>84,765</b>	<b>-</b>	<b>10,318</b>	<b>95,083</b>
<b>Gross Carrying Value</b>				
<b>As at April 01, 2022</b>	1,07,094	2,377	-	1,09,471
Additions	-	-	2,346	2,346
Disposals / Adjustments	-	-	-	-
<b>As at March 31, 2023</b>	<b>1,07,094</b>	<b>2,377</b>	<b>2,346</b>	<b>1,11,817</b>
<b>Accumulated Depreciation</b>				
<b>As at April 01, 2022</b>	18,436	1,058	-	19,494
Depreciation for the year	1,947	792	456	3,195
Disposals	-	-	-	-
<b>As at March 31, 2023</b>	<b>20,383</b>	<b>1,850</b>	<b>456</b>	<b>22,689</b>
<b>Net Carrying Value As at March 31, 2023</b>	<b>86,711</b>	<b>527</b>	<b>1,890</b>	<b>89,128</b>

# Net block for building amounting to ₹ 84,765 Thousand (Previous Year : ₹ 86,711 Thousand) are pledged as security against the secured borrowing

There are no leases entered by the company for low value assets.

The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Lease contracts entered by the Company majorly pertain for buildings taken on lease to conduct its business in the ordinary course.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note 4a : Other Intangible Assets

(Amount in Thousands - ₹)

Particulars	Database	URL's	Computer Software	In-House Software	Total
<b>Gross Carrying Value</b>					
<b>As at April 01, 2023</b>	600	500	15,288	4,68,483	4,84,871
Additions	-	-	-	14,127	14,127
Disposals	-	-	(424)	-	(424)
<b>As at March 31, 2024</b>	<b>600</b>	<b>500</b>	<b>14,864</b>	<b>4,82,610</b>	<b>4,98,574</b>
<b>Accumulated Amortisation</b>					
<b>As at April 01, 2023</b>	600	500	15,226	4,34,023	4,50,349
Amortisation for the year	-	-	30	32,407	32,437
Disposals	-	-	(424)	-	(424)
<b>As at March 31, 2024</b>	<b>600</b>	<b>500</b>	<b>14,832</b>	<b>4,66,430</b>	<b>4,82,362</b>
<b>Net Carrying Value As at March 31, 2024</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>16,180</b>	<b>16,212</b>
<b>Gross Carrying Value</b>					
<b>As at April 01, 2022</b>	600	500	15,288	4,68,483	4,84,871
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>600</b>	<b>500</b>	<b>15,288</b>	<b>4,68,483</b>	<b>4,84,871</b>
<b>Accumulated Amortisation</b>					
<b>As at April 01, 2022</b>	600	500	15,135	3,95,323	4,11,558
Amortisation for the year	-	-	91	38,700	38,791
Disposals	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>600</b>	<b>500</b>	<b>15,226</b>	<b>4,34,023</b>	<b>4,50,349</b>
<b>Net Carrying Value As at March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>62</b>	<b>34,460</b>	<b>34,522</b>

Note: There are no restrictions on the use of above mentioned assets

The in-house software estimated amortisation for the years subsequent to March 31, 2024 is as follows:

(Amount in Thousands - ₹)

Year ending March 31,	2025	2026	2027	2028	2029
Estimated amortisation	4,509	3,667	2,825	2,825	2,353

### Note 4b : Intangible Assets under Development

(Amount in Thousands - ₹)

Particulars	In-House Software	Total
<b>As at April 01, 2023</b>	16,104	16,104
Additions	13,259	13,259
Disposals	-	-
<b>Net Carrying Value As at March 31, 2024</b>	<b>29,363</b>	<b>29,363</b>
<b>As at April 01, 2022</b>	3,865	3,865
Additions	12,239	12,239
Disposals	-	-
<b>Net Carrying Value As at March 31, 2023</b>	<b>16,104</b>	<b>16,104</b>

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Intangible assets under development ageing schedule:

A: For intangible assets which are under development

### Intangible assets under development as on March 31, 2024

(Amount in Thousands - ₹)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress - Software Products					
IRIS Noah	5,720	6,514	-	-	12,234
IRIS Bushchat	4,807	3,984	-	-	8,791
IRIS ASAP	2,202	-	-	-	2,202
IRIS WATCH	3,893	-	-	-	3,893
IRIS GST Malaysia e-invoicing	2,243	-	-	-	2,243
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>18,865</b>	<b>10,498</b>	<b>-</b>	<b>-</b>	<b>29,363</b>

### Intangible assets under development as on March 31, 2023

(Amount in Thousands - ₹)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress - Software Products					
IRIS Noah	4,179	2,335	-	-	6,514
IRIS Bushchat	2,454	1,530	-	-	3,984
IRIS GSTN IRP	5,606	-	-	-	5,606
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>12,239</b>	<b>3,865</b>	<b>-</b>	<b>-</b>	<b>16,104</b>

B: Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan : NIL

## Note 5 : Investments

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non-Current Investments</b>		
Unquoted		
Investment in Equity Instruments	28,020	28,020
Less: Allowance for diminution in the value of Investments	(1,920)	(1,920)
<b>Total Non-Current Investments</b>	<b>26,100</b>	<b>26,100</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non-Current Investments</b>		
Unquoted		
Investment carried at cost		
Investments in Equity Instruments of Subsidiaries		
IRIS Business Services, LLC	14,540	14,540
Less: Allowance for diminution in the value of Investments	(395)	(395)
IRIS Business Services (Asia) Pte. Ltd	11,195	11,195
2,99,000 (2,99,000) equity shares of SGD 10 each, fully paid up		
Atanou S.r.l.	1,525	1,525
Less: Allowance for diminution in the value of Investments	(1,525)	(1,525)
IRIS Logix Solutions Private Limited	760	760
76,000 (76,000) equity shares of ₹ 10 each, fully paid up		
<b>Total Non-Current Investments</b>	<b>26,100</b>	<b>26,100</b>

5 (a) The total liabilities of IRIS Business Services, LLC exceeded its total assets by ₹ 8,411 thousands. The company is committed to provide necessary financial support as and when necessary. Considering the future prospect of these subsidiaries and continued support of the company, the investment in the subsidiaries is measured at cost.

5 (b) The Company has not raised any money pursuant to the pledge of securities held in its subsidiaries. There is no restriction towards the title of these investments

### Note 6 : Other Financial Assets

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Non-Current Other Financial Assets (Carried at amortized cost)</b>		
(a) Security Deposits	543	98
(b) Bank Deposits with more than 12 months maturity	867	443
(c) Rental Deposits	856	172
<b>Total Non-Current Other Financial Assets</b>	<b>2,266</b>	<b>713</b>
<b>(2) Current Other Financial Assets</b>		
(a) Contract Assets	1,05,902	37,758
Less: Allowance for Contract Assets	-	(1,773)
(b) Deferred Expenses	3,048	-
(c) Interest Accrued but not due	879	580
(d) Foreign currency forward and options contracts	207	-
(e) Others	300	153
<b>Total Current Other Financial Assets</b>	<b>1,10,336</b>	<b>36,718</b>
<b>Contract Assets includes</b>		
Contract Assets - other than related parties	61,068	14,906
Contract Assets - related parties	44,833	22,852

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Contract Assets Ageing schedule:

For the period ended March 31, 2024

Particulars	Outstanding for following periods from due date of payment						(Amount in Thousands - ₹)
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Contract Assets - considered good	1,05,902	-	-	-	-	1,05,902	
(ii) Undisputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Contract Assets - credit impaired	-	-	-	-	-	-	
(iv) Disputed Contract Assets - considered good	-	-	-	-	-	-	
(v) Disputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	
(vi) Disputed Contract Assets - credit impaired	-	-	-	-	-	-	
<b>Sub Total</b>	<b>1,05,902</b>	-	-	-	-	<b>1,05,902</b>	
Less: Allowance for Contract Assets	-	-	-	-	-	-	
<b>Total</b>	<b>1,05,902</b>	-	-	-	-	<b>1,05,902</b>	

For the period ended March 31, 2023

Particulars	Outstanding for following periods from due date of payment						(Amount in Thousands - ₹)
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Contract Assets - considered good	36,581	1,177	-	-	-	37,758	
(ii) Undisputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Contract Assets - credit impaired	-	-	-	-	-	-	
(iv) Disputed Contract Assets - considered good	-	-	-	-	-	-	
(v) Disputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	
(vi) Disputed Contract Assets - credit impaired	-	-	-	-	-	-	
<b>Sub Total</b>	<b>36,581</b>	<b>1,177</b>	-	-	-	<b>37,758</b>	
Less: Allowance for Contract Assets	(596)	(1,177)	-	-	-	(1,773)	
<b>Total</b>	<b>35,985</b>	-	-	-	-	<b>35,985</b>	

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note 7 : Trade Receivables

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Current Trade Receivables</b>		
(a) Trade Receivables considered good - Secured;	-	-
(b) Trade Receivables considered good - Unsecured;	2,13,317	2,38,136
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables - Credit Impaired	-	-
	<b>2,13,317</b>	<b>2,38,136</b>
Less: Allowance for Bad and Doubtful Trade Receivables	(3,595)	(2,734)
<b>Total Trade Receivables</b>	<b>2,09,722</b>	<b>2,35,402</b>
<b>Trade receivables includes</b>		
Trade receivables - other than related parties	2,07,644	2,34,649
Trade receivables - related parties	5,673	3,487

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Trade Receivables Ageing schedule:

For the period ended March 31, 2024

(Amount in Thousands - ₹)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables - considered good	1,37,778	53,624	12,999	7,332	269	1,315
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Sub Total</b>	<b>1,37,778</b>	<b>53,624</b>	<b>12,999</b>	<b>7,332</b>	<b>269</b>	<b>1,315</b>
Less: Allowance for Bad and Doubtful Trade Receivables	-	(388)	(1,100)	(723)	(134)	(1,250)
<b>Total</b>	<b>1,37,778</b>	<b>53,236</b>	<b>11,899</b>	<b>6,609</b>	<b>135</b>	<b>65</b>
<b>Total</b>						<b>2,13,317</b>
						<b>(3,595)</b>
						<b>2,09,722</b>

For the period ended March 31, 2023

(Amount in Thousands - ₹)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables - considered good	1,49,465	64,038	16,618	6,627	159	1,229
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Sub Total</b>	<b>1,49,465</b>	<b>64,038</b>	<b>16,618</b>	<b>6,627</b>	<b>159</b>	<b>1,229</b>
Less: Allowance for Bad and Doubtful Trade Receivables	-	(214)	(866)	(401)	(24)	(1,229)
<b>Total</b>	<b>1,49,465</b>	<b>63,824</b>	<b>15,752</b>	<b>6,226</b>	<b>135</b>	<b>-</b>
						<b>2,38,136</b>
						<b>(2,734)</b>
						<b>2,35,402</b>

(i) Working Capital Borrowings are secured by hypothecation of Book debts of the Company.

(ii) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Refer Note 27 for trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note 8 : Cash and Cash Equivalents

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
(1) Balances with banks		
a) in current accounts	23,390	3,623
b) in deposit accounts with original maturity of 3 months or less	41,354	25,082
c) Earmarked balances with banks	18,634	5,329
(2) Cash on Hand	18	20
<b>Total Cash and Cash Equivalents</b>	<b>83,396</b>	<b>34,054</b>

There are no restrictions with regard to cash and cash equivalents as at the end of the current and previous reporting periods.

The deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

Earmarked balances with banks primarily relate to margin money for bank guarantees.

### Note 9 : Bank Balances other than Cash and Cash Equivalents above

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
(1) Balances with banks		
a) in deposit accounts due for maturity within 12 months of the reporting date	18,443	11,538
b) Earmarked balances with banks	3,962	13,094
<b>Total Bank Balances other than Cash and Cash Equivalents above</b>	<b>22,405</b>	<b>24,632</b>

Earmarked balances with banks primarily relate to margin money for bank guarantees.

### Note 10 : Loans (Carried at amortized cost)

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Non-Current Loans</b>	-	-
<b>(2) Current Loans</b>		
(a) Other Loans - Loans to Employees		
(i) Loans to Employees considered good - Unsecured;	469	128
Less: Allowance for Bad and Doubtful Loans to Employees	-	-
<b>Total Current Loans</b>	<b>469</b>	<b>128</b>

**Note:**

- (i) No loans and advances are in the nature of loan that are granted to Promoters/ Directors/ Key Managerial Personnel and related parties.
- (ii) There are no loans and advances in the nature of loans given to subsidiaries and hence no disclosure is provided under Regulation 34(3) and 53(f) of SEBI Listing Obligation and Disclosure Requirements 2015 and Section 186 of the Companies Act 2013

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note 11 : Other Assets

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Other Non-Current Assets</b>	-	-
<b>(2) Other Current Assets</b>		
(a) Advance other than Capital Advance		
(i) Advances to directors or other officers	13	106
(ii) Advance to Suppliers	531	1,098
(b) Others		
(i) Prepaid Expenses	8,682	5,117
(ii) Contract Assets	1,31,485	1,45,854
Less: Allowance for Contract Assets	(9,813)	(2,049)
(iii) Withholding Taxes and Others	1,809	1,021
<b>Total Other Current Assets</b>	<b>1,32,707</b>	<b>1,51,147</b>

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Contract Assets Ageing schedule:

For the period ended March 31, 2024

Particulars	Outstanding for following periods from due date of payment						(Amount in Thousands - ₹)
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Contract Assets - considered good	34,920	14,913	42,096	39,556	-	1,31,485	
(ii) Undisputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Contract Assets - credit impaired	-	-	-	-	-	-	
(iv) Disputed Contract Assets - considered good	-	-	-	-	-	-	
(v) Disputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	
(vi) Disputed Contract Assets - credit impaired	-	-	-	-	-	-	
<b>Sub Total</b>	<b>34,920</b>	<b>14,913</b>	<b>42,096</b>	<b>39,556</b>	<b>-</b>	<b>1,31,485</b>	
Less: Allowance for Contract Assets	-	-	(1,263)	(8,550)	-	(9,813)	
<b>Total</b>	<b>34,920</b>	<b>14,913</b>	<b>40,833</b>	<b>31,006</b>	<b>-</b>	<b>1,21,672</b>	

For the period ended March 31, 2023

Particulars	Outstanding for following periods from due date of payment						(Amount in Thousands - ₹)
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Contract Assets - considered good	45,081	32,466	68,307	-	-	1,45,854	
(ii) Undisputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Contract Assets - credit impaired	-	-	-	-	-	-	
(iv) Disputed Contract Assets - considered good	-	-	-	-	-	-	
(v) Disputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	
(vi) Disputed Contract Assets - credit impaired	-	-	-	-	-	-	
<b>Sub Total</b>	<b>45,081</b>	<b>32,466</b>	<b>68,307</b>	<b>-</b>	<b>-</b>	<b>1,45,854</b>	
Less: Allowance for Contract Assets	-	-	(2,049)	-	-	(2,049)	
<b>Total</b>	<b>45,081</b>	<b>32,466</b>	<b>66,258</b>	<b>-</b>	<b>-</b>	<b>1,43,805</b>	

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note 12a : Equity Share Capital

(Amount in Thousands - ₹)

Particulars	March 31, 2024		March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised Share Capital</b>				
Equity shares of ₹ 10 par value	32,000	3,20,000	25,000	2,50,000
<b>Total</b>	<b>32,000</b>	<b>3,20,000</b>	<b>25,000</b>	<b>2,50,000</b>
Issued, Subscribed and paid-up capital				
Equity shares of ₹ 10 par value fully paid-up	19,361	1,93,612	19,361	1,93,612
<b>Total</b>	<b>19,361</b>	<b>1,93,612</b>	<b>19,361</b>	<b>1,93,612</b>

### Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

(Amount in Thousands - ₹)

Particulars	March 31, 2024		March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares outstanding at the beginning of the year	19,361	1,93,612	19,218	1,92,182
Add: Equity shares issued during the year	-	-	143	1,430
Less: Equity shares cancelled during the year	-	-	-	-
<b>Equity Shares outstanding at the end of the year</b>	<b>19,361</b>	<b>1,93,612</b>	<b>19,361</b>	<b>1,93,612</b>

### Terms / rights attached to class of shares

The Company has only one class of share referred to as Equity Shares having a par value of ₹10 each. The holders of Equity Shares are entitled to one vote per share. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### The company does not have a Holding Company

As per records of the Company, including its register of shareholder/members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares

For the period of five years immediately preceding the date at which the Balance Sheet is prepared there are no shares allotted as fully paid up pursuant to contract without payment being received in cash; no shares have been allotted as fully paid up by way of bonus shares; and there are no shares bought back

### Details of promoters and shareholders holding more than 5% of the total equity shares of the Company

Promoter name	Shares held by promoters at the end of the year		% change during the year
	No. of shares	% of total shares	
Mr Swaminathan Subramaniam	4,472	23.10%	-0.52%
Mr Balachandran Krishnan	1,065	5.50%	-0.20%
Ms Deepta Rangarajan	1,446	7.47%	0.00%
<b>Total</b>	<b>6,983</b>	<b>36.07%</b>	

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note 12b : Other Equity

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Retained Earnings	1,24,887	41,973
Securities Premium	1,24,936	1,24,936
General Reserve	475	475
Share based payment Reserve	11,344	4,371
Other Comprehensive Income	(20,006)	(17,941)
Cash Flow Hedge	(727)	(2,889)
<b>Total other equity</b>	<b>2,40,909</b>	<b>1,50,925</b>

#### Nature and purpose of other reserves:

##### Retained earnings

Retained earnings represent the accumulated earnings/(losses) that the Company has till date

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	41,973	5,144
Net Profit / (Loss) for the year	82,914	36,773
Transfer on cancellation of stock options	-	56
<b>Closing balance</b>	<b>1,24,887</b>	<b>41,973</b>

#### Nature and purpose of other reserves:

Represents the portion of the net income / (loss) of the Group.

##### Securities Premium

Securities premium represents share issued at premium less share issue expenses. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	1,24,936	1,20,768
Add: Premium on equity shares issued under ESOP	-	4,168
<b>Closing balance</b>	<b>1,24,936</b>	<b>1,24,936</b>

#### Nature and purpose of other reserves:

Represents excess of share application money received over par value of shares and includes employee stock compensation costs accrued.

##### Share options outstanding account

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	4,371	1,111
Share-based payments	6,973	4,339
Employee stock options exercised / cancelled during the year	-	(1,079)
<b>Closing balance</b>	<b>11,344</b>	<b>4,371</b>

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Nature and purpose of other reserves:

The share options outstanding account is used to recognize the grant date fair value of options issued to employees under various employees stock option schemes of the Company.

## Other comprehensive income

This represents items of income and expense that are not recognised in profit and loss but are shown in the statement of profit and loss as "Other comprehensive income". This comprises actuarial gain / loss on remeasurement of defined benefit plans and the income tax effect thereon.

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	(20,830)	(11,777)
Remeasurements of defined benefit liability/ (asset)	824	(6,164)
Cash Flow Hedge	(727)	(2,889)
<b>Closing balance</b>	<b>(20,733)</b>	<b>(20,830)</b>

## Nature and purpose of other reserves:

### Effective portion of cash flow hedge

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to Statement of Profit and Loss in the period in which the hedged transaction occurs.

### Remeasurements of post-employment benefit obligations

Remeasurements of post-employment benefit obligations comprises of actuarial gains and losses on calculation of defined benefit obligations and differences between the fair value of plan assets, return on plan assets and actual interest income on plan assets. These remeasurements are recognised in other comprehensive income and will not be reclassified to Statement of Profit and Loss.

## Note 13 : Borrowings

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
(1) <b>Non-Current Borrowings</b>	-	-
(2) <b>Current Borrowings</b>		
(a) Loans repayable on demand	54,347	54,558
<b>Total Current Borrowings</b>	<b>54,347</b>	<b>54,558</b>

### Loans repayable on demand, Secured

ICICI Bank Limited

#### 1. Security details

- Exclusive charge by way of equitable mortgage on the property T-231, 3<sup>rd</sup> Floor, Tower No. 2, International Infotech Park, Vashi, Navi Mumbai - 400 703.
- Unconditional and irrevocable Personal guarantees of the Promoters

#### 2. Interest rate

The rate of interest of the Facility shall be the sum of the Repo Rate \*+ "Spread" per annum, plus applicable statutory levy, if any ("Interest Rate"). Spread during the year has been in the range of 2.6% to 3.0%.

\*"Repo Rate" or "Policy Repo Rate" means the rate of interest published by the Reserve Bank of India ("RBI") on the RBI website from time to time as Repo Rate or Policy Repo Rate. The Repo Rate component of the Interest Rate resets after every 3 months following the date of limit set-up /renewal (as applicable).

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note 14 : Lease Liabilities

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Non-Current Lease Liabilities</b>		
(a) Lease Liabilities	8,583	1,235
<b>Total Non-Current Lease Liabilities</b>	<b>8,583</b>	<b>1,235</b>
<b>(2) Current Lease Liabilities</b>		
(a) Lease Liabilities	1,724	1,300
<b>Total Current Lease Liabilities</b>	<b>1,724</b>	<b>1,300</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### Movement in lease liabilities

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Lease liability in the beginning of the year</b>	<b>2,535</b>	<b>1,365</b>
Addition	11,464	2,346
Disposal	(2,346)	-
Interest expense	587	93
Lease payment	(1,933)	(1,269)
<b>Lease liability at the end of the year</b>	<b>10,307</b>	<b>2,535</b>

The weighted average incremental borrowing rate applied to lease liabilities as at incremental borrowing rate is between the range of 8.50% to 9.50% for a period varying from 2 to 4 years

### Maturity analysis of lease liability

#### Maturity analysis- Contractual undiscounted cash flow

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	2,583	1,467
One to three years	8,550	1,218
More than three years	1,531	-

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note 15 : Provisions

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Non-Current Provisions</b>		
(a) Provision for Employee Benefits		
(i) Gratuity (refer note no. 22a )	50,538	46,632
(ii) Leave Encashment (refer note no. 22b )	10,150	9,145
<b>Total Non-Current Provisions</b>	<b>60,688</b>	<b>55,777</b>
<b>(2) Current Provisions</b>		
(a) Provision for Employee Benefits		
(i) Gratuity (refer note no. 22a )	10,459	9,888
(ii) Leave Encashment (refer note no. 22b )	4,839	2,894
(iii) Incentives	12,205	6,958
(b) Other Provisions		
(i) Provision for Warranty	481	481
<b>Total Current Provisions</b>	<b>27,984</b>	<b>20,221</b>

### Movement of Provision for warranty

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	481	481
Additions during the year	-	-
Derecognition during the year	-	-
<b>Closing Balance</b>	<b>481</b>	<b>481</b>

Provision for post-sales client support and other provisions majorly represents costs associated with providing sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over the period of Contract.

## Note 16 : Deferred Tax Liabilities (Net)

### (a) Deferred tax (asset) / liability

(Amount in Thousands - ₹)

Nature of (asset) / liability Particulars	Balance Sheet at		Statement of profit and loss & OCI	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Tax impact on difference between book depreciation / amortization and depreciation under the Income Tax Act,1961	21,257	20,527	-	-
Tax impact on unutilized carry forward losses	-	(13,382)	-	-
Tax effect of provision for gratuity & compensated absences	(23,055)	(14,881)	-	-
Tax effect of provision for bad and doubtful debts / advances	(935)	(711)	-	-
Tax impact on remeasurement gains and (losses) on defined benefit obligations (net)	-	-	-	-
Tax impact on all other items	(39,730)	(5,538)	(11,500)	-
<b>Deferred tax (asset) / liability (net)</b>	<b>(42,463)</b>	<b>(13,985)</b>		
<b>Deferred tax (income) / expense (net)</b>	<b>-</b>	<b>-</b>	<b>(11,500)</b>	<b>-</b>
<b>Amount recognised</b>	<b>(11,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note : Pursuant to application of prudence, the deferred tax asset of ₹ 1.15 cr is recognised. The assets pertains to MAT credit available with the Company.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### (b) Reconciliation of deferred tax (asset) / liability (including MAT credit)

(Amount in Thousands - ₹)

Particulars	Balance Sheet at	
	March 31, 2024	March 31, 2023
<b>i) Deferred tax (asset) / liability</b>		
Opening balance	-	-
Deferred tax (income) / expense during the year recognized in Statement of Profit and Loss	(11,500)	-
Deferred tax (income) / expense during the year recognized in OCI	-	-
<b>Closing balance</b>	<b>(11,500)</b>	<b>-</b>

### (c) Components of tax expenses

(Amount in Thousands - ₹)

Particulars	Statement of Profit and Loss	
	March 31, 2024	March 31, 2023
<b>i) Statement of Profit and Loss</b>		
<b>Current tax</b>		
Current Income Tax charge (including MAT)	24,500	8,822
Tax Expense for earlier year	-	-
<b>Total tax (income) / expenses reported in Statement of Profit and Loss</b>	<b>24,500</b>	<b>8,822</b>
<b>Deferred tax</b>		
Relating to the origination and reversal of temporary differences	(11,500)	-
<b>Total tax (income) / expenses reported in Statement of Profit and Loss</b>	<b>(11,500)</b>	<b>-</b>
<b>ii) Other comprehensive income (OCI)</b>		
Tax impact on remeasurement gains / (losses) on defined benefit obligations (net)	198	(1,153)
<b>Total tax (income) / expense (net)</b>	<b>198</b>	<b>(1,153)</b>
<b>iii) Total tax (income) / expense reported in the total comprehensive income</b>	<b>13,198</b>	<b>7,669</b>

(d) A reconciliation of the tax provision to the amount computed by applying the statutory Income tax rate to the income before taxes is summarised below:

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Accounting profit before tax	95,914	45,595
Less: Adjustment from carry forward losses	40,826	45,595
Corporate tax rate %	28	28
<b>Computed tax expense</b>	<b>15,326</b>	<b>-</b>
<b>Increase / (reduction) in taxes on account of:</b>		
MAT on above mentioned accounting profit before tax		8,822
Tax adjustments of earlier years	-	-
Non-deductible expenses	15,756	-
Additional allowances / deductions for tax purposes	(6,581)	-
<b>Current Tax Recognised</b>	<b>24,500</b>	<b>8,822</b>
Deferred tax (income) / expense recognition during the year	(11,500)	-
MAT credit for the current / previous year(s)	-	-
Provision for MAT credit (refer note no.10(b)(iii) above)	-	-
<b>Tax (income) / expense reported in the statement of profit and loss</b>	<b>13,000</b>	<b>8,822</b>
<b>Tax (income) / expense reported in the other comprehensive income</b>	<b>198</b>	<b>(1,153)</b>

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note 17 : Trade Payables

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Non-Current Trade Payables</b>	-	-
<b>(2) Current Trade Payables</b>		
(a) Total outstanding dues of micro and small enterprises	3,219	3,293
(b) Total outstanding dues of creditors other than micro and small enterprises	20,450	7,193
<b>Total Current Trade Payables</b>	<b>23,669</b>	<b>10,486</b>

### For the period ended March 31, 2024

(Amount in Thousands - ₹)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3,219	-	-	-	-	-	3,219
(ii) Others	15,624	3,394	328	1,104	-	-	20,450
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>18,843</b>	<b>3,394</b>	<b>328</b>	<b>1,104</b>	<b>-</b>	<b>-</b>	<b>23,669</b>

### For the period ended March 31, 2023

(Amount in Thousands - ₹)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3,293	-	-	-	-	-	3,293
(ii) Others	5,477	539	1,027	136	-	14	7,193
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>8,770</b>	<b>539</b>	<b>1,027</b>	<b>136</b>	<b>-</b>	<b>14</b>	<b>10,486</b>

### Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at March 31, 2024 and March 31, 2023. The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26 2008 which recommends that the micro and small enterprises should mention in their correspondence with its customers the entrepreneur's memorandum number as allocated after filing of the memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at March 31, 2024 has been made in the financial statements based on the information received and available with the Company.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note 18 : Other Financial Liabilities

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Non Current Other Financial Liabilities</b>	-	-
<b>(2) Current Other Financial Liabilities</b>		
(a) Current Maturities of Long-Term Debt	-	-
(b) Interest Accrued on Borrowings	557	763
(c) Others		
(i) Accrued Compensation to Employees	1,646	40,488
(ii) Accrued Expenses	65,431	58,014
(iii) Foreign Currency Forward and Options Contracts	-	2,948
(iv) Other Payables	734	372
<b>Total Current Other Financial Liabilities</b>	<b>68,368</b>	<b>1,02,585</b>

### Note 19 : Other Liabilities

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Non Current Other Liabilities</b>	-	-
<b>(2) Current Other Liabilities</b>		
(a) Unearned and Deferred Revenue	69,487	83,770
(b) Others Payables		
(i) Statutory Dues Payables	9,306	14,148
(ii) Contribution to PF / ESIC / MLWF / PT Payable	1,963	1,342
(iii) Advance from Customers	162	93
<b>Total Current Other Liabilities</b>	<b>80,918</b>	<b>99,353</b>

### Note 20 : Revenue from Operations

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of Products	4,28,833	3,24,039
Sale of Services	5,39,627	3,51,394
<b>Total Revenue from Operations</b>	<b>9,68,460</b>	<b>6,75,433</b>
<b>Revenue by Division</b>		
Revenue from Collect Division	4,40,320	2,48,099
Revenue from Create Division	4,87,071	3,92,492
Revenue from Consume Division	41,069	34,842
<b>Total</b>	<b>9,68,460</b>	<b>6,75,433</b>
<b>Revenue Geography-wise</b>		
Asia Pacific	1,02,698	61,844
India	2,84,915	2,77,378
Europe & UK	1,63,701	1,48,398
Middle East	74,273	78,512
Africa	3,08,358	96,314
America	34,515	12,987
<b>Total</b>	<b>9,68,460</b>	<b>6,75,433</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

The Company has presented contract assets as “unbilled revenues” (refer note no. 6 and 11) in other assets and contract liabilities as “unearned revenues” (refer note no.19) in other liabilities in the balance sheet. Contract assets that are no longer contingent, except for the passage of time, are shown under financial assets.

(Amount in Thousands - ₹)

Particulars	March 31, 2024		March 31, 2023	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
Opening balance	1,83,612	83,770	1,52,113	70,377
Revenue recognised during the year	2,94,879	1,62,263	1,29,949	1,29,364
Invoices raised during the year	2,41,105	1,47,980	98,450	1,42,757
Balances at the end of the year	2,37,386	69,487	1,83,612	83,770

### Note 21 : Other Income

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest Income	5,319	3,486
Exchange Gain	-	4,704
Other Non-Operating Income	552	620
Financial Assets Derecognised	415	3,300
<b>Total Other Income</b>	<b>6,286</b>	<b>12,110</b>

### Note 22 : Employee Benefits Expense

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and Wages	4,49,521	3,61,634
Contribution to Provident and Other Funds	12,249	6,776
Compensated absences (refer note no. 22b )	2,950	1,906
Gratuity and other retiral benefits (refer note no. 22a )	12,742	9,736
Share Based Payment to Employees (refer note no. 32)	6,973	4,339
Staff Welfare Expenses	5,549	5,466
<b>Total Employee Benefits Expense</b>	<b>4,89,984</b>	<b>3,89,857</b>

#### Note 22a: Defined benefit plan - Gratuity (unfunded)

Gratuity is classified as Defined Benefit plan as Company's obligation is to provide agreed benefits, subject to minimum benefits as subscribed by the Payment of Gratuity Act, to plan members. Actuarial & Investment risks are borne by the Company.

The gratuity plan entitles an employee, who has rendered at least five years of continuous services, to receive one-half month's salary for each year of completed service at the time of retirement / exit.

The defined benefit plan comprises of gratuity which is unfunded. Actuarial gains and losses are recognised in the Other Comprehensive Income (OCI).

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the position of assets and obligations relating to the plan.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Net Defined Benefit (Asset)/Liability recognised in the Balance Sheet under Note 15</b>		
Present Value of Defined Benefit Obligation	88,171	72,644
Fair value of Plan Assets	27,174	16,124
<b>Net Defined Benefit (Asset)/Liability recognised in the Balance Sheet under Note 15</b>	<b>60,997</b>	<b>56,520</b>

(Amount in Thousands - ₹)

Change in Defined Benefit Obligation during the Period	As at March 31, 2024	As at March 31, 2023
Balance Sheet (Asset)/Liability, Beginning of Period	56,520	47,099
Total Charge/(Credit) Recognised in Profit and Loss	12,742	9,736
Total Remeasurements Recognised in OC (Income)/Loss	2,860	6,546
Actual Employer Contributions/Benefit Directly paid by the Company	(11,125)	(6,861)
<b>Defined Benefit Obligation, End of Period</b>	<b>60,997</b>	<b>56,520</b>

### Amounts in Statement of Profit & Loss

(Amount in Thousands - ₹)

Total Defined Benefit Cost/(Income) included in Statement of Profit & Loss	As at March 31, 2024	As at March 31, 2023
Service cost	8,760	6,416
Net interest cost	3,982	3,320
Past service cost	-	-
Administration expenses	-	-
(Gain)/loss due to settlements/curtailments/diversitures	-	-
<b>Total Defined Benefit Cost/(Income) included in Statement of Profit &amp; Loss</b>	<b>12,742</b>	<b>9,736</b>

### Amounts in the Balance Sheet

(Amount in Thousands - ₹)

Current/Non Current Bifurcation	As at March 31, 2024	As at March 31, 2023
Current Benefit Obligation	15,118	12,709
Non - Current Benefit Obligation	73,053	59,935
<b>Gross (Asset)/Liability recognised in the Balance sheet</b>	<b>88,171</b>	<b>72,644</b>
<b>Actual Return on Plan Assets</b>		
Interest income on plan assets	1,177	946
Remeasurements on plan assets	(177)	(627)
<b>Actual Return on Plan Assets</b>	<b>1,000</b>	<b>319</b>

The Company provides the gratuity benefit through annual contributions to a fund managed by approved trust. Under this plan, the settlement obligation remains with the Company, although the trust administers the plan and determines the contribution required to be paid by the Company. The trust has invested the plan assets in the Insurer managed funds. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and the management of the fund is undertaken by the LIC. The expected rate of return on plan assets is based on the expectation of the average long-term rate of return expected on investments of the funds during the estimated term of the obligation.

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Category of Assets

Insurer Managed Funds & T-Bills

(Amount in Thousands - ₹)

**The principal assumptions used in determining the gratuity benefit are shown below:**

	As at March 31, 2024	As at March 31, 2023
Salary escalation rate	10%	10%
Discount rate	7.09%	7.30%
Expected rate of return on assets	7.09%	7.30%

## Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Defined Benefit Obligation - Discount Rate + 100 basis points	(4,419)	(3,646)
Defined Benefit Obligation - Discount Rate - 100 basis points	4,913	4,055
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	3,220	2,794
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(3,162)	(2,775)

## Note 22b: Defined benefit plan - Compensated absences

Compensated absences as at the Balance Sheet date, determined on the basis of actuarial valuation based on the “projected unit credit method” is as below

The Company provides for expenses towards compensated absences (leave encashment) provided to its employees. The expenses are recognized in the statement of profit and loss account and the liabilities are recognized at the present value of the amount payable determined based on an independent external actuarial valuation made as at each Balance Sheet date, using Projected Unit Credit method.

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Net Defined Benefit (Asset)/Liability recognised in the Balance Sheet under Note 15</b>		
Defined Benefit Obligation	14,989	12,039
Present Value of Unfunded Defined Benefit Obligation	-	-
Fair value of Plan Assets	-	-
<b>Net Defined Benefit (Asset)/Liability recognised in the Balance Sheet under Note 15</b>	<b>14,989</b>	<b>12,039</b>

(Amount in Thousands - ₹)

Change in Defined Benefit Obligation during the Period	As at March 31, 2024	As at March 31, 2023
Defined Benefit Obligation, Beginning of Period	12,039	10,134
Net Current Service Cost	1,722	1,303
Interest Cost on DBO	836	681
Actuarial (Gains)/Losses	392	(79)
<b>Defined Benefit Obligation, End of Period</b>	<b>14,989</b>	<b>12,039</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Amounts in Statement of Profit & Loss

(Amount in Thousands - ₹)

<b>Total Defined Benefit Cost/(Income) included in Statement of Profit &amp; Loss</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Service cost	1,722	1,304
Net interest cost	836	681
Past service cost	-	-
Remeasurements	392	(79)
(Gain)/loss due to settlements/curtailments/diversitures		
<b>Total Defined Benefit Cost/(Income) included in Statement of Profit &amp; Loss</b>	<b>2,950</b>	<b>1,906</b>
<b>Amounts in the Balance Sheet</b>		
<b>Current/Non Current Bifurcation</b>		
Current Benefit Obligation	4,839	2,894
Non - Current Benefit Obligation	10,150	9,145
<b>Gross (Asset)/Liability recognised in the Balance sheet</b>	<b>14,989</b>	<b>12,039</b>

The principal assumptions used in determining the leave encashment benefit are shown below:

(Amount in Thousands - ₹)

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Salary escalation rate	10%	10%
Discount rate	7.09%	7.30%
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/ Withdrawal Rate	15.00%	15.00%
Leave Availment Ratio	10.00%	10.00%
Retirement Age	60 years	60 years

### Note 23 : Finance Costs

(Amount in Thousands - ₹)

<b>Particulars</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
Interest Expense	7,004	6,711
Interest on Right of Use Asset	587	204
Other Borrowing Costs*	3,445	2,870
<b>Total Finance Costs</b>	<b>11,036</b>	<b>9,785</b>

\* Includes bank charges and processing fees towards borrowing facility

### Note 24 : Depreciation and Amortisation Expense

(Amount in Thousands - ₹)

<b>Particulars</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
Depreciation of Property, Plant and Equipment	7,823	4,796
Amortisation of Intangible Assets	32,438	38,791
Amortisation of Right of Use Asset	4,018	3,205
<b>Total Depreciation and Amortisation Expense</b>	<b>44,279</b>	<b>46,792</b>

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note 25 : Other Expenses

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Advertisement & Business Promotion	7,463	4,127
Cloud Infrastructure Expenses	38,157	27,762
Data Sourcing Expenses	261	462
Doubtful Debts	6,852	4,100
Exchange Gain / Loss	4,493	-
Foreign Travel Expenses	28,123	14,880
IPO and Listing Expenses	652	1,730
Insurance Expenses	1,871	2,054
Internet Co-location Charges	1,738	4,543
Legal, Professional and Consultancy Fees	45,793	34,203
Managerial Remuneration	1,285	1,250
Marketing and Sales Expenses	11,201	10,208
Miscellaneous Expenses	1,618	1,432
Office Maintenance	4,221	3,278
Outsource software Maintenance Expense	19,940	10,325
Partner Fees	1,22,779	47,666
Payment to Auditors*	1,689	1,851
Postage, Telephone & Communication Charges	1,111	849
Power Expenses	3,797	3,067
Printing and Stationery Expense	1,243	342
Rates and Taxes	1,867	675
Registration Fees Expense	10	45
Repairs and Maintenance	540	890
Sales Commission Expense	5,749	4,454
Software License and Hardware Fees	7,192	5,279
Rent Expense	688	-
Staff Recruitment Expenses	5,496	1,651
Travelling and Conveyance	7,672	6,424
Write-offs	32	89
Bad Debts Written-Off	-	894
Allowance for diminution in the value of Investments	-	984
<b>Total Other Expenses</b>	<b>3,33,533</b>	<b>1,95,514</b>
<b>*Detail of payment to statutory auditor (exclusive of GST)</b>		
<b>As Auditor</b>		
Statutory Audit Fees	1,100	1,100
Other Matters	500	720
Reimbursement of out-of-pocket expenses	89	31
<b>Total</b>	<b>1,689</b>	<b>1,851</b>

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note 26: Segment Reporting

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
1. Segment Revenue		
(net sale/income from each segment should be disclosed under this head)		
(a) Segment – Collect	4,40,320	2,48,099
(b) Segment – Create	4,87,071	3,92,492
(c) Segment – Consume	41,069	34,842
(d) Unallocated	-	-
Less: Inter Segment Revenue	-	-
<b>Net sales/Income From Operations</b>	<b>9,68,460</b>	<b>6,75,433</b>
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)		
(a) Segment – Collect	54,885	21,395
(b) Segment – Create	77,215	60,214
(c) Segment – Consume	12,843	8,453
(d) Unallocated	6,286	12,110
<b>Total</b>	<b>1,51,229</b>	<b>1,02,172</b>
Less: i) Interest	11,036	9,785
ii) Depreciation & Amortisation	44,279	46,792
<b>Total Profit Before Tax</b>	<b>95,914</b>	<b>45,595</b>

### Note:

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

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

## Note 27: Transactions with Related Party

Related Party Disclosures in accordance with Ind AS 24 - "Related Party Disclosures" are given below.

### Names of related parties and related party relationship

#### 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 Limited

#### b. Key Managerial Personnel (KMP)

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. P.K.X Thomas, Whole Time Director and Chief Technology Officer

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## **c. Relatives of Key Managerial Personnel (KMP)**

1. Deepta Rangarajan, Spouse of Mr S. Swaminathan
2. S. Chandrasekhar, Brother of Mr S. Swaminathan
3. S. Swaminathan, Spouse of Ms Deepta Rangarajan
4. Rajlaxmi Nambiar, Spouse of Mr K. Balachandran
5. Sharanya Balachandran, Daughter of Mr K. Balachandran
6. Shyama Balachandran, Daughter of Mr K. Balachandran
7. Vijayalakshmi Nambiar, Mother of Mr K. Balachandran
8. Minimol Thomas, Spouse of Mr P.K.X Thomas
9. Tinu Teresa Thomas, Daughter of Mr P.K.X Thomas
10. Anu Ann Thomas, Daughter of Mr P.K.X Thomas

## **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
4. Haseeb A Drabu, Non-Executive Independent Director

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note 27: Transactions with Related Party

#### f. Transactions with Related parties

Particulars	Relationship with Related Party	Nature of Transactions	Transactions during the year ended		Outstanding balances	
			March 31, 2024	March 31, 2023	As at March 31, 2024	As at March 31, 2023
Services rendered						
IRIS Business Services (Asia) Pte. Ltd.	Subsidiary	Sales of Services	10,353	7,269	10,353	7,269
IRIS Business Services, LLC	Subsidiary	Sales of Services	33,772	12,583	33,772	12,583
FinX Solutions (UAE)	An entity in which one of the Promoter Director is the managing partner	Sales of Services	2,599	1,203	4,462	2,389
IRIS Logix Solutions Private Limited	Subsidiary	Sales of Services	2,967	4,947	633	2,887
IRIS Knowledge Foundation	Promoter Directors are common Directors	Sales of Services	-	-	1,211	1,211
Services availed						
IRIS Business Services, LLC	Subsidiary	Services Rendered	-	-	-	-
IRIS Business Services (Asia) Pte. Ltd.	Subsidiary	Services Rendered	-	-	1,103	1,103
Investments						
Atanou S.r.l.	Subsidiary	Investment	-	-	1,525	1,525
IRIS Business Services, LLC	Subsidiary	Investment	-	-	14,540	14,540
IRIS Business Services (Asia) Pte. Ltd.	Subsidiary	Investment	-	-	11,195	11,195
IRIS Logix Solutions Private Limited	Subsidiary	Investment	-	-	760	760

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

The terms and conditions & the settlement pertaining to the outstanding balances is as per the company policy and in ordinary course of business. No guarantees have been given or received for such outstanding balances.

(Amount in Thousands - ₹)

Compensation to KMPs of the Company	Transactions during the year ended		Outstanding balances	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Short-term employee benefits*	27,909	22,647	1,406	15,996
Post-employment benefits #	-	-	-	-
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payment	1,342	835	-	-
<b>Total</b>	<b>29,251</b>	<b>23,482</b>	<b>1,406</b>	<b>15,996</b>

\* includes sitting fees and reimbursement of expenses

# The aforesaid amounts exclude gratuity provision as it is determined on actuarial basis for the Company as a whole

(Amount in Thousands - ₹)

Compensation to Relative/s of KMP/s of the Company	Transactions during the year ended		Outstanding balances	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Short-term employee benefits*	880	770	77	66
Post-employment benefits #	-	-	-	-
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payment	-	-	-	-
<b>Total</b>	<b>880</b>	<b>770</b>	<b>77</b>	<b>66</b>

The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### Note 28: Financial Instruments - Disclosure, Accounting classifications and fair value measurements:

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash & cash equivalents, trade and other short term receivables, trade payables, borrowings and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

A. Classification of Financial Instruments by category

As at March 31, 2024

(Amount in Thousands - ₹)

Sr. No	Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying amount	Fair value
	<b>Financial Assets</b>					
1	Loans	469	-	-	469	469
2	Investments (in Subsidiaries)	26,100	-	-	26,100	26,100
3	Trade Receivables	2,09,722	-	-	2,09,722	2,09,722
4	Cash and Cash equivalent	83,396	-	-	83,396	83,396
5	Other Financial assets	1,35,007	-	207	1,35,214	1,35,214
	<b>Financial liabilities</b>					
6	Borrowings	54,347	-	-	54,347	54,347
7	Lease liabilities	10,307	-	-	10,307	10,307
8	Trade Payables	23,669	-	-	23,669	23,669
9	Other financial liabilities	68,368	-	-	68,368	68,368

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

As at March 31, 2023

(Amount in Thousands - ₹)

Sr. No	Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying amount	Fair value
	<b>Financial Assets</b>					
1	Loans	128	-	-	128	128
2	Investments (in Subsidiaries)	26,100	-	-	26,100	26,100
3	Trade Receivables	2,35,402	-	-	2,35,402	2,35,402
4	Cash and Cash equivalent	34,054	-	-	34,054	34,054
5	Other Financial assets	62,063	-	-	62,063	62,063
	<b>Financial liabilities</b>					
6	Borrowings	54,558	-	-	54,558	54,558
7	Lease liabilities	2,535	-	-	2,535	2,535
8	Trade Payables	10,486	-	-	10,486	10,486
9	Other financial liabilities	99,637	-	2,948	1,02,585	1,02,585

### Fair Value Hierarchy:

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

**Level 1:** This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares which are traded on the stock exchanges, is valued using the closing price at the reporting date.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example - traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. Investments in Debentures or Bonds are valued on the basis of dealer's quotation based on fixed income and money market association (FIMMDA). If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2024 are given below:

(Amount in Thousands - ₹)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Measured through FVTOCI	207	-	-	207
Measured through FVTPL	-	-	-	-
<b>Financial Liabilities</b>				
Measured at Amortised Cost				
- Borrowings	-	-	54,347	54,347
Measured through FVTOCI				
- Derivative Liabilities	-	-	-	-

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2023 are given below:

(Amount in Thousands - ₹)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Measured through FVTOCI	-	-	-	-
Measured through FVTPL	-	-	-	-
<b>Financial Liabilities</b>				
Measured at Amortised Cost				
- Borrowings	-	-	54,558	54,558
Measured through FVTOCI				
- Derivative Liabilities	2,948	-	-	2,948

The management assessed that cash and bank balances, trade receivables, loans, trade payables, borrowings (cash credits, working capital loans) and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

During the reporting year ending March 31, 2024 and March 31, 2023, there was no transfer between level 1 and level 2 fair value measurement

## Key Inputs for Level 1 & 2 Fair valuation Technique:

### 1. Derivative Liabilities and Asset (Level 2):

- The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of respective currencies

## Description of Significant Unobservable Inputs used for Financial Instruments (Level 3)

The following table shows the valuation techniques used for financial instruments:

Other Financial Liabilities (Non-current)	Discounted cash flow method using risk adjusted discount rate
---	---

## Note 29: Financial risk management objectives

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, other than derivatives, include trade and other receivables, investments and cash and cash equivalents that arise directly from its operations. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risks faced by the Company. The risk management systems are reviewed periodically. The Audit Committee of the Board, oversees the compliance with the policy. The Internal Audit reviews the risk management controls and procedures and reports to the Audit Committee.

The Company's activities expose it to market risk, liquidity risk and credit risk.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, foreign currency receivables, payables and borrowings.

The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The sources of risks which the Company is exposed to and their management are given below:

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Risks	Exposure arising from	Measurement	Management
<b>Market Risk:</b>			
- Foreign Exchange Risk	Committed commercial transactions, Financial Assets and Liabilities not denominated in ₹	Cash Flow Forecasting, Sensitivity Analysis	Forward foreign exchange contracts
- Interest Rate Risk	Long-Term Borrowings at variable rates	Sensitivity Analysis, Interest rate Movements	
- Credit Risk	Trade Receivable, Derivative Financial Instruments	Ageing analysis, Credit Rating,	Credit limit and credit worthiness monitoring
- Liquidity Risk	Borrowings and Other Liabilities	Rolling Cash Flow Forecasts, Long range business forecast	Adequate unused credit lines and borrowing facilities, sufficient cash and marketable securities

Details relating to the risks are provided here below:

### A. Foreign Exchange Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's transactions denominated in a foreign currency including trade receivables and unbilled revenues, loans given to overseas subsidiaries, trade payables and bank balances. The Company's exposure to foreign currency risk with respect to material currencies as detailed below:

The Company regularly evaluates exchange rate exposure arising from foreign currency transactions. The Company follows the established risk management policies and standard operating procedures. When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the foreign currency exposure.

As at March 31, 2024

(Amount in Thousands - ₹)

Foreign Currency	Trade Receivable	Contract Assets	Bank	Loans given	Trade payables	Total
AED	197	24	-	-	-	221
EUR	523	220	-	-	(10)	733
GBP	48	13	-	-	-	61
JOD	-	66	-	-	-	66
MYR	801	322	-	-	-	1,123
OMR	-	-	-	-	-	-
SGD	-	168	-	-	(18)	150
USD	302	932	-	-	(14)	1,220
ZAR	13,000	-	4,917	-	(2,030)	15,887
SAR	140	565	-	-	-	705

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

As at March 31, 2023

(Amount in Thousands - ₹)

Foreign Currency	Trade Receivable	Contract Assets	Bank	Loans given	Trade payables	Total
AED	28	91	-	-	-	119
EUR	740	79	-	-	(9)	810
GBP	42	8	-	-	-	50
JOD	-	23	-	-	-	23
MYR	425	565	-	-	-	990
OMR	8	87	-	-	-	95
SGD	-	118	-	-	(18)	100
USD	168	412	-	-	(6)	574
ZAR	6,889	-	-	-	-	6,889
SAR	916	-	-	-	-	916

## (i) Foreign Currency Sensitivity:

The sensitivities are based on financial assets and liabilities held at March 31, 2024 that are not denominated in Indian Rupees. The sensitivities do not take into account the Company's sales and costs and the results of the sensitivities could change due to other factors such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors.

Sensitivity analysis between Indian Rupee and the foreign currencies specified above for an increase of / decrease by ₹ 1.

(Amount in Thousands - ₹)

Foreign currency	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
AED	221	(221)	119	(119)
EUR	733	(733)	810	(810)
GBP	61	(61)	50	(50)
JOD	66	(66)	23	(23)
MYR	1,123	(1,123)	990	(990)
OMR	-	-	95	(95)
SGD	150	(150)	100	(100)
USD	1,220	(1,220)	574	(574)
ZAR	15,887	(15,887)	6,889	(6,889)
SAR	705	(705)	916	(916)

## B. Interest rate risk:

The Company has borrowed debt at variable rates to finance its operations, which exposes it to interest rate risk. The Company's interest rate risk management planning includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt, either directly or through the use of derivative financial instruments affecting a shift in interest rate exposures between fixed and floating.

### Interest rate risk exposure on the average borrowing for the year:

(Amount in Thousands - ₹)

Change in Defined Benefit Obligation during the Period	As at March 31, 2024	As at March 31, 2023
Fixed rate borrowing	-	-
Variable rate borrowing	54,347	54,558

1% change in interest rate on variable rate borrowing would impact the interest cost for FY 2023-24 by ₹ 543 thousands (FY 2022-23 by ₹ 546 thousands).

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### C. Credit risk

Credit risk arises when a customer or counterparty does not meet its contractual obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including treasury operations. Customer credit risk is managed by Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables and unbilled revenues are regularly monitored and the Company creates a provision based on expected credit loss model.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

#### i) Trade Receivables: Ageing & Movement

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk

(Amount in Thousands - ₹)

ii) Movement of Doubtful debts	As at March 31, 2024	As at March 31, 2023
Opening provision	2,735	1,873
Add: Provided during the year	1,578	1,417
Less: Utilised during the year	-	-
Less: Written back during the year	(718)	(555)
<b>Closing Provision</b>	<b>3,595</b>	<b>2,735</b>

The details in respect of percentage of revenues generated from the top customer and the top 10 customers are as follows:

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue from top customer	2,66,866	42,722
Revenue from top 10 customers	4,20,649	2,53,713

#### iii) Derivative Instruments, Cash and Cash Equivalents and Bank Deposits:

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies. Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high ratings, assigned by international and domestic credit rating agencies. Ratings are monitored periodically and the Company has considered the latest available credit ratings as at the date of approval of these financial statements.

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## D. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for managing liquidity, funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts and long range business forecasts on the basis of expected cash flows.

The table below provides details of financial liabilities at the reporting date based on contractual undiscounted payments. The Company has access to the following undrawn borrowing facilities:

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Expiring in one year	Expiring beyond one year	Expiring in one year	Expiring beyond one year
Undrawn Borrowing facility	63,153	-	68,942	-
Lease Liabilities	1,724	8,583	1,300	1,235
Trade Payables	23,669	-	10,486	-
Derivatives	-	-	2,948	-

## E. Capital Management

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Company's capital management, capital means the Total Equity as per the Balance Sheet.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by the total equity.

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	54,347	54,558
Less: Cash and cash equivalents	83,396	34,054
Net Debt (A)	(29,049)	20,504
Equity Share Capital	1,93,612	1,93,612
Other Equity	2,40,909	1,50,925
Total Equity (B)	4,34,520	3,44,537
Net Debt / Equity (A / B)	-7%	6%

In addition, the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, Outside liabilities to Net Worth etc. which is maintained by the Company

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note 30: Financial performance indicators - Analytical Ratios

In accordance with Notification dated March 24, 2021, the Central Government in its Amendment to Schedule III to Companies Act 2013 stated that the Company shall disclose the following ratios which shall indicate the financial performance of the Company. Company is required to give details of significant changes (change of 25% or more as compared to the previous financial year) in sector-specific key financial ratios, as well as any changes in return on net worth.

(Amount in Thousands - ₹)

Sr. No.	Particulars	Numerator	Denominator	Unit	March 31, 2024	March 31, 2023
1	Current Ratio	Current Assets	Current Liabilities	In times	2.20	1.77
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	In times	0.13	0.16
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	In times	19.92	14.78
4	Trade Receivables Turnover Ratio	Revenue	Average Trade Receivable	In times	4.35	3.52
5	Trade Payables Turnover Ratio	Purchases of services and other expenses	Average Trade Payables	In times	19.53	14.90
6	Net Capital Turnover Ratio	Revenue	Current Assets - Current Liabilities	In times	3.14	3.02
7	Net profit ratio	Net Profit	Revenue	In percentage	8.56%	5.44%
8	Return on Capital Employed	Earning before interest and taxes	Net worth + deferred tax liabilities + Lease Liabilities	In percentage	21.88%	13.88%
9	Return on Equity	Net Profits after taxes	Net worth	In percentage	19.08%	10.67%

- Note: a) Disclosure of Inventory Turnover Ratio is not applicable as the Company does not hold any Inventory.
- b) Disclosure of Return on Investment is not applicable as the Investments reported under note 5 pertains to Investment made in subsidiaries only.

### Detailed explanation for significant changes in sector-specific key financial ratios and changes in Return on Net Worth:

(Amount in Thousands - ₹)

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current Ratio	5,65,220	2,57,010	2.20	1.77	24%	Due to increase in Current Assets and decrease in Current Liabilities
Debt Service Coverage Ratio	1,51,229	7,591	19.92	14.78	35%	Due to increase in Earning before interest, Depreciation and tax
Trade Payables Turnover Ratio	3,33,533	17,078	19.53	14.90	31%	Due to increase in Other expenses
Net profit ratio	82,914	9,68,460	8.56%	5.44%	57%	Due to increase in Net profit after Tax
Return on Capital Employed	1,06,950	4,88,868	21.88%	13.88%	58%	Due to increase in Earning before interest and tax
Return on Equity	82,914	4,34,521	19.08%	10.67%	79%	Due to increase in Net profit after Tax

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note 31: Hedge Accounting

As part of its risk management strategy, the company endeavors to hedge its net foreign currency exposure of highly forecasted sale transactions for the next 10 to 12 months in advance. The company uses forward contracts to hedge its currency exposure. Such contracts are designated as cash flow hedges. The forward contracts are generally denominated in the same currency in which the sales realization is likely to take place.

For derivative contracts designated as hedge, the Company documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

The Company applies cash flow hedge accounting to hedge the variability in the future cash flows attributable to foreign exchange risk. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship. On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge.

Hedge effectiveness is assessed through the application of critical terms match method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss.

Type of risk / hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
Forward contract	Foreign currency risk of highly probable forecast transactions using forward contracts	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Company enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts. These are customized contracts transacted in the over-the-counter market.	Cash flow hedge

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

### As at March 31, 2024

Particulars	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liability	Maturity	Average booking price/ rate
Foreign exchange forward contracts	5,25,650 EURO 15,348 GBP 3,37,609 USD	207 (₹ in Thousands)	-	FY 24-25	1 EURO = 91.31 1 GBP = 106.93 1 USD = 83.84

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting :

Particulars	(Amount in Thousands - ₹)	
	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of year	(2,889)	711
Gain/(loss) recognised in Other Comprehensive Income during the year	2,577	(300)
Amount reclassified to profit/loss during the year	(415)	(3,300)
Tax impact on the above		
Balance at the end of year	(727)	(2,889)

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The quantitative information about offsetting of derivative financial assets and derivative financial liabilities is as follows

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Derivative Financial asset	Derivative Financial liability	Derivative Financial asset	Derivative Financial liability
Net amount presented in Balance Sheet	207	-	-	2,948

### Note 32: Employee Stock Option Scheme

The Company provides share-based payment schemes to its employees 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 company currently has two ESOP schemes, the relevant details of which are as follows:

#### IRIS Business Services Limited – Employee Stock Option Scheme 2017

On September 11, 2017, the Board of Directors approved the “IRIS Business Services Limited – Employee Stock Option Scheme 2017”

(“Scheme”) 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	All the Options granted on any date shall vest not later than the maximum period of 4 (Four) years from the date of grant. Further, Exercise period would commence from the date of vesting and will expire on completion of 5 (Five) years from the date of respective vesting.
Method of Settlement	Shares
Source of shares	Primary-Fresh equity allotment by the company

A summary of the activity in the Company's ESOP Scheme (“IRIS Business Services Limited – Employee Stock Option Scheme 2017”) is as follows:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	Shares arising from options	Weighted Average Exercise price	Shares arising from options	Weighted Average Exercise price
Outstanding at the beginning of the year	2,14,000	42.18	1,55,000	32.00
Options Granted during the year*	-	-	2,10,000	42.37
Options exercised during the year	-	-	1,43,000	-
Options Forfeited during the year	-	-	8,000	-
No. of Options Outstanding at the end of the year	2,14,000	-	2,14,000	-
Vested Options	2,14,000	-	4,000	-
Unvested Options	-	-	2,10,000	-
No. of Options exercisable at the end of the year	2,14,000	-	4,000	-

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Fair value determination method

The Black-Scholes model requires consideration of certain variables such as implied volatility, risk free rate of interest, expected dividend yield, expected life of option, market price of the underlying stock and exercise price for the calculation of Fair Value of the option. Variability of these parameters could significantly affect the estimated Fair value of the option.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Grant Date	November 11, 2022	November 11, 2022
Risk Free interest rate	6.61% to 7.24%	6.61% to 7.24%
Expected Life (in Years)	3.5 Years to 6.5 Years	3.5 Years to 6.5 Years
Expected Volatility	74.81%	74.81%
Dividend Yield	0%	0%
Stock price* (amount in ₹)	75.55	75.55
Exercise price (amount in ₹)	32 & 75.55	32 & 75.55
Weighted Average remaining Contractual life	2.96	3.43
Fair Value as on Grant date	57.09 & 43.55 & 7.92	57.09 & 43.55 & 7.92

\* 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.

The expected life of the ESOP is estimated based on the vesting term and contractual term of the ESOP, as well as expected exercise behaviour of the employee who receives the ESOP.

To understand the effect of share based payment transactions on the entity's profit and loss for the year refer Note no.22

## IRIS Business Services Limited – Employee Stock Option Scheme 2023

During the year ended March 31, 2024, the Company implemented a new employee stock option scheme, namely the 'IRIS Business Services Limited Employee Stock Option Scheme 2023'

On December 01, 2023, the Board of Directors approved the "IRIS Business Services Limited – Employee Stock Option Scheme 2023". The aforesaid Scheme was duly approved by shareholders in its Extra-Ordinary General Meeting held on February 16, 2024. The Company is in process of making an application to the Stock Exchanges where the Equity shares of the Company are listed for obtaining their in-principle approval for the said scheme and hence the Nomination and Remuneration committee of the Board is yet to grant options under the said Scheme.

### Key terms of the scheme:

Date of Shareholder's Approval	February 16, 2024
Total Number of Options approved	9,75,000
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	All the Options granted on any date shall vest not later than the maximum period of 4 (Four) years from the date of grant. Further, Exercise period would commence from the date of vesting and will expire on completion of 5 (Five) years from the date of respective vesting.
Method of Settlement	Shares
Source of shares	Primary-Fresh equity allotment by the company

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note 33: Contingent Liabilities and Commitments:

#### a) Contingent Liabilities, Commitments

(Amount in Thousands - ₹)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Claims against the company not acknowledged as debts		
	Disputed EPFO Demand Relating to May-2005 to May-2007 and pending before Honorable High Court of Bombay	174	174
2	BSE Late filing penalty	12	12
3	Commitments	-	-

The above amount of contingencies does not include applicable interest, if any. Cash outflows for the above are determinable only on receipt of judgements pending at various forums / authorities.

- b) Foreseeable Losses: The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the company has reviewed and ensured that adequate provision as required under any law / applicable accounting standards for material foreseeable losses on such long term contracts and financial assets has been made in the books of account.
- c) Pending Litigations: The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements.

### Note 34: Earnings Per Share

(Amount in Thousands - ₹)

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Net Profit for the Year attributable to equity Shareholders	82,914	36,773
Weighted Average No. of Shares - Basic	19,361	19,218
Weighted Average No. of Shares - Diluted	19,491	19,319
EPS - Basic	4.28	1.91
EPS - Diluted	4.25	1.90
Nominal value of each Equity Share	10.00	10.00

Reconciliation of weighted average of number shares

(Amount in Thousands - ₹)

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Basic weighted average number of shares	19,361	19,218
Add: adjustment on account of ESOP	130	101
Diluted weighted average number of shares	19,491	19,319

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note 35: Additional Regulatory Information

Pursuant to the requirement stipulated under para (6)(L) to the General Instructions for Preparation of Balance Sheet under schedule III of Companies Act, 2013, the required additional regulatory information are disclosed as under:

- i) The company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company.
- ii) The Company does not have any investment property.
- iii) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) during the current year or the preceeding year.
- iv) The company has not revalued its intangible assets during the current year or the preceeding year.
- v) There are no loans or advances in the nature of loans that are granted to promoters, Directors, Key Managerial Personnel and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- vi) There is no Capital Work in progress.
- vii) For disclosure pertaining to Intangible assets under development - Refer Note No.4b
- viii) No proceedings have been initiated on or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ix) The borrowings from banks or financial institutions reported under Refer Note No.13, are made on the basis of security of assets other than current asset and on the unconditional and irrevocable Personal guarantees of Whole Time Directors of the Company.
- x) The Company has not been declared a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or any other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- xi) The Company did not have any transactions with companies struck off under Companies Act, 2013.
- xii) There are no charges or satisfaction thereof yet to be registered with ROC beyond the statutory period - Refer note No.3b and Refer Note No. 13 for the details of charge created.
- xiii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, with respect to the extent of holding of the company in downstream companies - Refer Note No. 5.
- xiv) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- xv) During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xvi) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xvii) There is no income surrendered or disclosed as Income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- xviii) The Company has not traded or invested in Crypto currency or Virtual currency during the current or the previous financial year.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

xix) The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Also, there have been no instances of audit trail feature being tampered with.

**Note 36:** The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Company towards Provident Fund, Gratuity and bonus. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

**Note 37:** Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**Note 38:** Previous year figures have been regrouped / rearranged, wherever necessary.

### For KKC & Associates LLP

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W / W100621

### Soorej Kombaht

Partner

ICAI Membership No: 164366

Place: Navi Mumbai

Date: May 18, 2024

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

(CIN:L72900MH2000PLC128943)

### Swaminathan Subramaniam

Whole Time Director & CEO

(DIN: 01185930)

### Balachandran Krishnan

Whole Time Director & CFO

(DIN: 00080055)

Place: Navi Mumbai

Date: May 18, 2024

### Deepta Rangarajan

Whole Time Director

(DIN: 00404072)

### Santoshkumar Sharma

Company Secretary

(Membership No: ACS 35139)

# **Consolidated Financial Statements**

# Independent Auditor's Report

To  
The Members of  
**IRIS Business Services Limited**

## Report on the audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying Consolidated Financial Statements of IRIS Business Services Limited ('the Holding Company' or 'the Parent' or 'the Company') and its subsidiaries (the parent and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2024 and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, and notes to the Consolidated Financial Statements, including a summary of material accounting policy information and other explanatory information ('the Consolidated Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial information of such subsidiaries as were audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group, as at 31 March 2024, and its Consolidated Profit And Other Comprehensive Income, Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

### Basis for Opinion

3. 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

### Emphasis of Matter

4. Attention is drawn to Note No. 35(b) of the Consolidated Financial Statements where it is mentioned that the financial information of a subsidiary i.e. IRIS Business Services LLC is prepared on going concern basis despite the liabilities of the subsidiary thereof exceeding its total assets, having regards to business plans of that subsidiary and continued financial support from the Holding Company.

Our opinion on the Consolidated financial results is not modified in respect of the above matter.

### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current year. 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.

Key Audit Matter	How the matter was addressed in our audit
<p>Revenue from Long Term Contracts:</p> <p>Long Term Contracts with Customers include contracts with services components which include software development, maintenance, implementation, and licensing of software products. Certain contracts include rights to access to platforms offered by the group companies and support services.</p> <p>The recognition and measurement of revenue from such contracts is complex and involves application of several key judgments and estimates such as identification of multiple performance obligations embedded in the contracts, determination and allocation of transaction price to each component of services or performance obligation and determination of expected cost of completion these contracts at each reporting date.</p> <p>Also, such contracts require assessment of foreseeable losses and assessment of contract being onerous in nature.</p>	<p>Our audit procedures include as under:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the systems, processes and controls implemented by the group companies for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances.</li> <li>• Examination of Selective Contracts and performing our analysis of identification of performance obligation, criteria of satisfaction of performance obligation and determination the expected revenue to be recognized and reconciling with amount recognized in the books of accounts.</li> <li>• Assessment of expected cost of completion considered by the companies vide inquires to management of the group and examination of service details considered as component of expected cost. Analysis of assumption used and inquiring of expected variation or possible changes to expected cost of completion.</li> <li>• Examination of underlying details/records of cost incurred which includes tracing of determination of cost incurred at each project-wise.</li> <li>• Performing analytical procedure to identify any unusual deviation and inquiring rationale for such deviation.</li> </ul>

## Other Information

- The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the Consolidated Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.
- When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

- The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements, that give a true and fair view of the Consolidated State of Affairs, Consolidated [Profit/ Loss] and Other Comprehensive Income, Consolidated Changes in Equity and Consolidated Cash Flows of the Group is in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the

Consolidated Financial 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.

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

### **Auditor's responsibilities for the audit of the Consolidated Financial Statements**

13. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - 14.1. 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.
  - 14.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.
  - 14.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
  - 14.4. 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 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 to cease to continue as a going concern.
  - 14.5. 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.
  - 14.6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of 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.
15. 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.
16. 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.

17. 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 year 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

18. We did not audit the financial statements of IRIS Business Services (Asia) Pte. Limited the subsidiary, whose financial statements reflect total assets of ₹ 21,582 thousands as at 31 March 2024, total revenues of ₹ 28,397 thousands and net cash flows amounting to ₹ 9,350 thousands for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports 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 and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. 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.

The subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its host country and which have been audited by other auditor under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of the Subsidiary located outside India from accounting principles generally accepted in its host country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

19. 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 certified by the Management.

## Report on Other Legal and Regulatory Requirements

20. As required by section 143(3) of the Act, based on our audit and on the consideration of audit reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- 20.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- 20.2. 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.
- 20.3. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow 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.
- 20.4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act read with the relevant rules thereunder.
- 20.5. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Company incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- 20.6. With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Holding Company, its subsidiary company, incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.
- 20.7. In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary company incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company incorporated in India is not in excess of the limit laid down under Section 197 of the Act.

21. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other auditors on separate financial statements of such subsidiaries, as noted in the 'Other Matters' paragraph:
- 21.1. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group – Refer Note 32(c) to the consolidated financial statements.
- 21.2. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 32(b) to the Consolidated Financial Statements in respect of such items as it relates to the Group.
- 21.3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
- 21.4. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 21.5. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us, to best of their knowledge and belief, that no funds have been received by the Holding Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 21.6. Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us and those performed by auditors of the subsidiary incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or other auditors to believe that the representation under para 21.4 and 21.5 contain any material misstatement.
- 21.7. In our opinion and according to information and explanation given to us, the Holding Company has not declared or paid dividend during the year, accordingly compliance with section 123 of the Act by the Company is not applicable.
- 21.8. Based on our examination which included test checks and that performed by respective auditors of the subsidiaries which are the companies incorporated in India whose financial statements have been audited under the Act, the company, subsidiaries have used an accounting software for maintaining its books of accounts which has a feature of recording audit trail facility (edit log) and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with.
22. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ('CARO') issued by Central Government in terms of Section 143(11) of the Act, to be included in Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and based on our consideration of CARO reports issued by us of the companies included in Consolidated Financial Statements, we report that there are no qualifications or adverse remarks in these CARO reports.

**For KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

**Soorej Kombaht**

Partner

Place: Navi Mumbai

Date: 18 May 2024

ICAI Membership No.: 164366

UDIN: 24164366BKGQCC1172

## **Annexure '[A]' to the Independent Auditors' report on the Consolidated Financial Statements of IRIS Business Services Limited for the year ended 31 March 2024**

(Referred to in paragraph '[21.6]' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

#### **Opinion**

1. In conjunction with our audit of the Consolidated Financial Statements of IRIS Business Services Limited as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to the Consolidated Financial Statements of IRIS Business Services Limited ('the Holding Company' and its subsidiary companies, which are companies incorporated in India, as of that date.
2. In our opinion, the Holding Company, and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

#### **Management's responsibility for Internal Financial Controls**

3. The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's responsibility**

4. Our responsibility is to express an opinion on the Holding Company, its subsidiaries, which are companies incorporated in India, internal financial controls with reference to the

Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs 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 with reference to the Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 Consolidated Financial Statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements.

#### **Meaning of Internal Financial controls with reference to the Consolidated Financial Statements**

7. A company's internal financial controls with reference to the Consolidated Financial Statements 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 controls with reference to the Consolidated Financial Statements 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 with reference to the consolidated Financial Statements**

8. Because of the inherent limitations of internal financial controls with reference to the Consolidated Financial Statements, 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 with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Consolidated Financial Statements may become inadequate because of changes in conditions, or that

the degree of compliance with the policies or procedures may deteriorate.

### **Other Matters**

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls system with reference to the Consolidated Financial Statements in so far as it relates to 1 subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

#### **For KKC & Associates LLP**

Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

#### **Soorej Kombaht**

Partner

Place: Navi Mumbai

Date: 18 May 2024

ICAI Membership No.: 164366

UDIN: 24164366BKGQCC1172

# Consolidated Balance Sheet as at March 31, 2024

(Amount in Thousands - ₹)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>(I) ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3a	15,086	11,667
(b) Right-of-Use-Assets	3b	95,084	89,128
(c) Other Intangible Assets	4a	19,246	38,395
(d) Intangible Assets under Development	4b	29,363	16,104
(e) Financial Assets			
(i) Investments		-	-
(ii) Loans	9	-	-
(iii) Other Financial Assets	5	2,266	992
(f) Deferred Tax Assets (Net)	15	11,186	-
(g) Other Non Current Assets	10	-	-
<b>Total Non-Current Asset</b>		<b>1,72,231</b>	<b>1,56,286</b>
<b>(2) CURRENT ASSETS</b>			
(a) Financial Assets			
(i) Trade Receivables	6	2,23,164	2,48,361
(ii) Cash and Cash Equivalents	7	1,39,342	67,970
(iii) Bank Balances other than Cash and Cash Equivalents above	8	22,404	24,632
(iv) Loans	9	469	128
(v) Other Financial Assets	5	70,839	19,293
(b) Current Tax Assets (Net)		5,440	29,809
(c) Other Current Assets	10	1,35,151	1,54,498
<b>Total Current Asset</b>		<b>5,96,809</b>	<b>5,44,691</b>
<b>TOTAL ASSETS</b>		<b>7,69,040</b>	<b>7,00,977</b>
<b>(II) EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	11a	1,93,612	1,93,612
(b) Other Equity	11b	2,15,949	1,21,802
<b>Equity attributable to equity holders of the parent</b>		<b>4,09,561</b>	<b>3,15,414</b>
(a) Non-controlling interests		1,862	913
<b>Total</b>		<b>4,11,423</b>	<b>3,16,327</b>
<b>LIABILITIES</b>			
<b>(1) NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	12	-	-
(ii) Lease Liabilities	13	8,584	1,235
(iii) Other Financial Liabilities	17	-	-
(b) Provisions	14	60,688	55,777
(c) Deferred Tax Liabilities (Net)	15	-	227
(d) Other Non Current Liabilities	18	-	-
<b>Total Non-Current Liabilities</b>		<b>69,272</b>	<b>57,239</b>
<b>(2) CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings (Current)	12	54,347	54,558
(ii) Lease Liabilities	13	1,723	1,300
(iii) Trade Payables	16		
(a) Total outstanding dues of micro and small enterprises		3,219	3,260
(b) Total outstanding dues of creditors other than micro and small enterprises		23,645	8,141
(iv) Other Financial Liabilities	17	71,580	1,20,680
(b) Other Current Liabilities	18	1,05,849	1,19,251
(c) Provisions	14	27,982	20,221
(d) Current Tax Liabilities (Net)		-	-
<b>Total Current Liabilities</b>		<b>2,88,345</b>	<b>3,27,411</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,69,040</b>	<b>7,00,977</b>

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

As per our report of even date attached

**For KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W / W100621

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

(CIN: L72900MH2000PLC128943)

**Swaminathan Subramaniam**

Whole Time Director & CEO

(DIN: 01185930)

**Balachandran Krishnan**

Whole Time Director & CFO

(DIN: 00080055)

Place: Navi Mumbai

Date: May 18, 2024

**Deepta Rangarajan**

Whole Time Director

(DIN: 00404072)

**Santoshkumar Sharma**

Company Secretary

(Membership No: ACS 35139)

**Soorej Kombath**

Partner

ICAI Membership No: 164366

Place: Navi Mumbai

Date: May 18, 2024

# Consolidated Statement of Profit and Loss for the year ended March 31, 2024

(Amount in Thousands - ₹)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>(I) INCOME</b>			
(a) Revenue from Operations	19	10,22,966	7,35,712
(b) Other Income	20	6,593	13,322
<b>Total Income</b>		<b>10,29,559</b>	<b>7,49,034</b>
<b>(II) EXPENSES</b>			
(a) Employee Benefits Expense	21	5,12,959	4,07,966
(b) Finance Costs	22	11,492	10,196
(c) Depreciation and Amortisation Expense	23	45,219	47,080
(d) Other Expenses	24	3,57,770	2,31,774
<b>Total Expenses</b>		<b>9,27,440</b>	<b>6,97,016</b>
<b>(III) Profit before Tax (I-II)</b>		<b>1,02,119</b>	<b>52,018</b>
<b>(IV) Tax Expense</b>			
(a) Current Tax		25,619	9,004
(b) Tax Expense for earlier year		30	(3)
(c) Deferred Tax		(11,413)	166
<b>(V) Profit for the year (III-IV)</b>		<b>87,883</b>	<b>42,851</b>
<b>(VI) Other Comprehensive Income</b>			
<b>(A) (i) Items that will not be reclassified to Profit or Loss (net of taxes)</b>			
(a) Remeasurements gain / (loss) on defined benefit obligations		(2,065)	(5,453)
(b) Equity Instruments at fair value through other comprehensive income		-	-
<b>(B) (i) Items that will be reclassified to Profit and Loss (net of taxes)</b>			
(a) Fair Value Changes on Derivatives Designated as cash flow hedge		2,577	(300)
(b) Exchange differences on translation of financial statements of foreign operations		143	226
<b>(VII) Total Comprehensive Income for the year (V+VI)</b>		<b>88,538</b>	<b>37,324</b>
<b>Profit for the year attributable to:</b>			
Equity holders of the parent		86,935	42,720
Non-controlling interests		948	131
		<b>87,883</b>	<b>42,851</b>
<b>Other comprehensive income for the year attributable to:</b>			
Equity holders of the parent		654	(5,541)
Non-controlling interests		1	14
		<b>655</b>	<b>(5,527)</b>
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the parent		87,589	37,179
Non-controlling interests		949	145
		<b>88,538</b>	<b>37,324</b>
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic (₹)	33	4.49	2.22
Diluted (₹)	33	<b>4.46</b>	<b>2.21</b>

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

As per our report of even date attached

## For KKC & Associates LLP

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W / W100621

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

(CIN:L72900MH2000PLC128943)

## Swaminathan Subramaniam

Whole Time Director & CEO

(DIN: 01185930)

## Balachandran Krishnan

Whole Time Director & CFO

(DIN: 00080055)

Place: Navi Mumbai

Date: May 18, 2024

## Deeptha Rangarajan

Whole Time Director

(DIN: 00404072)

## Santoshkumar Sharma

Company Secretary

(Membership No: ACS 35139)

## Soorej Kombaht

Partner

ICAI Membership No: 164366

Place: Navi Mumbai

Date: May 18, 2024

# Consolidated Statement of cash flows for the year ended March 31, 2024

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Cash Flows from Operating Activities</b>		
Profit/(loss ) for the year	87,883	42,851
<b>Adjustments for:</b>		
Depreciation and amortisation expense	45,219	47,080
Income Tax Expense	14,236	9,166
Loss / (profit) on sale / disposal of property, plant and equipment	(10)	(280)
Expense on Employee Stock Option Scheme	6,973	4,339
Bad debts written off	-	894
Allowance for doubtful trade receivables	6,939	4,100
Sundry Balance Written-Off	32	89
Sundry Creditors Balance W/back	(228)	-
Finance costs	11,492	10,196
Interest income (refer note no. 20)	(4,012)	(2,385)
Effect of change in foreign currency translation reserve	143	226
<b>Operating profit / (loss) before working capital changes</b>	<b>1,68,667</b>	<b>1,16,276</b>
<b>Changes in operating assets and liabilities</b>		
(Increase) / decrease in trade receivables	18,258	(96,881)
(Increase) / decrease in loans	(341)	158
Increase / (decrease) in trade payables	15,463	(8,335)
(Increase) / decrease in other financial assets	(50,690)	6,335
(Increase) / decrease in other assets	18,787	(13,110)
Increase / (decrease) in provisions	10,607	3,542
Increase / (decrease) in other financial liabilities	(49,100)	43,408
Increase / (decrease) in other liabilities	(13,400)	19,572
<b>Cash inflow / (outflow) from operating activity</b>	<b>1,18,251</b>	<b>70,965</b>
Taxes paid (net)	(1,279)	(13,874)
<b>Net cash inflow / (outflow) from operating activities - Total (A)</b>	<b>1,16,972</b>	<b>57,091</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment, intangibles and capital work in progress	(38,732)	(24,722)
Sale of property, plant and equipment and capital work in progress	10	280
Bank deposits with original maturity of more than 3 months	2,227	2,804
Interest received	3,449	2,463
<b>Net cash inflow / (outflow) from investing activities - Total (B)</b>	<b>(33,046)</b>	<b>(19,175)</b>

# Consolidated Statement of cash flows for the year ended March 31, 2024

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of equity share capital under ESOP Scheme	-	1,430
Proceeds from issuance of equity share capital to Minority Shareholders	-	490
Securities premium received on issue of shares	-	3,146
Repayment of Lease Liabilities	(1,996)	(703)
(Repayment) / proceeds from short term borrowings (net)	(211)	(10,299)
Interest paid on bank loans and others	(10,347)	(10,957)
<b>Net cash inflow / (outflow) from financing activities - Total (C)</b>	<b>(12,554)</b>	<b>(16,894)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>71,372</b>	<b>21,023</b>
<b>D. Cash and cash equivalents at the beginning of the year</b>	<b>67,970</b>	<b>46,947</b>
<b>E. Cash and cash equivalents at the end of the year (Refer note 7)</b>	<b>1,39,342</b>	<b>67,970</b>

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

As per our report of even date attached

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Reconciliation of Cash and cash equivalents at the end of the year</b>		
Cash and cash equivalents as per balance sheet	1,39,342	67,970
Cash and cash equivalents as per cash flow statement	1,39,342	67,970

**Note:**

- i) Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) - 7 "Statement of Cash Flows" prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 of the Companies Act, 2013.

**For KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W / W100621

**Soorej Kombaht**

Partner

ICAI Membership No: 164366

Place: Navi Mumbai

Date: May 18, 2024

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

(CIN:L72900MH2000PLC128943)

**Swaminathan Subramaniam**

Whole Time Director & CEO

(DIN: 01185930)

**Balachandran Krishnan**

Whole Time Director & CFO

(DIN: 00080055)

Place: Navi Mumbai

Date: May 18, 2024

**Deepta Rangarajan**

Whole Time Director

(DIN: 00404072)

**Santoshkumar Sharma**

Company Secretary

(Membership No: ACS 35139)

# Consolidated Statement of Changes in Equity for the year ended March 31, 2024

## A. Equity Share Capital (Refer Note 11a)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance as at April 01, 2023</b>	<b>1,93,612</b>	<b>1,92,182</b>
Changes in equity share capital due to prior period errors		
Restated balance at the beginning of the reporting period		
Changes in equity share capital during the current year		1,430
<b>Balance as at March 31, 2024</b>	<b>1,93,612</b>	<b>1,93,612</b>

(Amount in Thousands - ₹)

## B. Other Equity (Refer Note 11b)

### (1) Current Reporting Period for the year ended March 31, 2024

Particulars	Securities Premium	Share based payment Reserve	General Reserve	Retained Earnings	Other Components of Equity			Total Other Equity Attributable to Parent	Non Controlling Interest	Total Other Equity
					Cash Flow Hedge	Others #	Foreign Currency Translation Reserve			
<b>Balance as at April 01, 2023</b>	<b>1,24,936</b>	<b>4,371</b>	<b>475</b>	<b>14,520</b>	<b>(2,889)</b>	<b>(17,941)</b>	<b>(1,670)</b>	<b>1,21,802</b>	<b>913</b>	<b>1,22,715</b>
Profit / (Loss) for the year	-	-	-	86,935	-	-	-	86,935	948	87,883
Other Comprehensive Income / (Loss) (net of tax)	-	-	-	-	2,577	(2,065)	142	654	1	655
Changes in NCI Ownership	-	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income / (Loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,935</b>	<b>2,577</b>	<b>(2,065)</b>	<b>142</b>	<b>87,589</b>	<b>949</b>	<b>88,538</b>
Share-based payments	-	6,973	-	-	-	-	-	6,973	-	6,973
Add : Securities premium credited on share issue	-	-	-	-	-	-	-	-	-	-
Less: Transfer on exercise/Cancellation of stock options	-	-	-	-	-	-	-	-	-	-
Less: Derecognition of financials assets	-	-	-	-	(415)	-	-	(415)	-	(415)
<b>Balance as at March 31, 2024</b>	<b>1,24,936</b>	<b>11,344</b>	<b>475</b>	<b>1,01,455</b>	<b>(727)</b>	<b>(20,006)</b>	<b>(1,528)</b>	<b>2,15,949</b>	<b>1,862</b>	<b>2,17,811</b>

(Amount in Thousands - ₹)

# Others represent the measurement of defined benefit plan

# Consolidated Statement of Changes in Equity for the year ended March 31, 2024

## (2) Previous Reporting Period for the year ended 31 March 2023

(Amount in Thousands - ₹)

Particulars	Securities Premium	Share based payment Reserve	General Reserve	Retained Earnings	Other Components of Equity			Total Other Equity Attributable to Parent	Non Controlling Interest	Total Other Equity
					Cash Flow Hedge	Others #	Foreign Currency Translation Reserve			
<b>Balance as at April 01, 2022</b>	<b>1,20,768</b>	<b>1,111</b>	<b>475</b>	<b>(28,256)</b>	<b>711</b>	<b>(12,488)</b>	<b>(1,884)</b>	<b>80,437</b>	<b>278</b>	<b>80,715</b>
Profit / (Loss) for the year	-	-	-	42,720	-	-	-	42,720	131	42,851
Other Comprehensive Income / (Loss) (net of tax)	-	-	-	-	(300)	(5,453)	214	(5,539)	14	(5,525)
Changes in NCI Ownership	-	-	-	-	-	-	-	-	490	490
<b>Total Comprehensive Income / (Loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,720</b>	<b>(300)</b>	<b>(5,453)</b>	<b>214</b>	<b>37,181</b>	<b>635</b>	<b>37,816</b>
Share-based payments	-	4,339	-	-	-	-	-	4,339	-	4,339
Add : Securities premium credited on share issue	4,168	-	-	-	-	-	-	4,168	-	4,168
Less: Transfer on exercise/Cancellation of stock options	-	(1,079)	-	56	-	-	-	(1,023)	-	(1,023)
Less: Derecognition of financials assets	-	-	-	-	(3,300)	-	-	(3,300)	-	(3,300)
<b>Balance as at March 31, 2023</b>	<b>1,24,936</b>	<b>4,371</b>	<b>475</b>	<b>14,520</b>	<b>(2,889)</b>	<b>(17,941)</b>	<b>(1,670)</b>	<b>1,21,802</b>	<b>913</b>	<b>1,22,715</b>

# Others represent the measurement of defined benefit plan

## The accompanying material accounting policies and notes form an integral part of the Consolidated financial statements

As per our report of even date attached

### For KKC & Associates LLP

Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration Number: 105146W / W100621

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

(CIN:L72900MH2000PLC128943)

### Soorej Kombh

Partner  
ICAI Membership No: 164366

Place: Navi Mumbai  
Date: May 18, 2024

### Swaminathan Subramaniam

Whole Time Director & CEO  
(DIN: 01185930)

### Balachandran Krishnan

Whole Time Director & CFO  
(DIN: 00080055)

Place: Navi Mumbai  
Date: May 18, 2024

### Deeptha Rangarajan

Whole Time Director  
(DIN: 00404072)

### Santoshkumar Sharma

Company Secretary  
(Membership No: ACS 35139)

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## 1. Corporate Information:

IRIS Business Services Limited (“the Parent Company” or “the Company” or “IRIS”) is a public limited company domiciled and incorporated in India under the provisions of erstwhile Companies Act, 1956 with its registered office at 3<sup>rd</sup> Floor, International Infotech Park, Tower 2, Vashi, Navi Mumbai, Maharashtra. The Equity shares of the Parent Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The consolidated financial statements comprise financial statements of IRIS Business Services Limited, India and its subsidiaries (collectively, “the Group”) as given below for the year ended March 31, 2024

Name of Subsidiary	Country	% of holding
IRIS Business Services LLC	USA	100.00
IRIS Business Services (Asia) Pte Ltd	Singapore	98.36
Atanou Srl	Italy	100.00
IRIS Logix Solutions Private Limited	India	51.00

The Group primarily offers Regtech solutions to regulators and enterprises. Regulators include Central Banks, Business Registries, Capital Market Regulators and Stock Exchanges while regulated entities include Corporates, Banks, and Mutual Funds. The Company is one of the pioneers in providing an entire range of XBRL products and solutions to organizations across the globe. In addition, the Company also offers an array of tax technology solutions in the Indian market, addressing GST compliance requirements. The Company's XBRL based software and adjacent solutions for enterprise CFO office include SaaS based software products for authoring and assisted services related to converting structured and unstructured data into XBRL. The Company offers workflow based e-filing software solutions for Regulators, especially those in Capital Markets and Banking, including consulting and training services and taxonomy development.

## 2. Material Accounting Policies:

### 2.1 Statement of Compliance and Basis of preparation and presentation of Consolidated Financial Statements

The Consolidated Financial Statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 (“the Act”), as amended, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and as per the requirements of Schedule III (Division II) of the Companies Act, 2013 (“the Act”) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

These Consolidated Financial Statements have been prepared and presented on the going concern basis and on historical cost basis on accrual basis except for certain financial instruments and defined benefits plans which are measured at Fair value or amortized cost at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss, Consolidated Statement of Other Comprehensive Income, Consolidated Statement of Changes in Equity are prepared and presented in the format prescribed in the Schedule III to the Act. The Consolidated Statement of Cash Flows has been prepared and presented as per Ind AS 7 “Statement of Cash Flows”.

The Consolidated Financial Statements of the Group for the year ended March 31, 2024 were approved and adopted by Board of Directors in its meeting held on May 18, 2024.

#### Basis of Consolidation

IRIS consolidates entities which it owns or controls. The Consolidated Financial statements comprise the financial statements of the Company, its and subsidiaries. As per Ind AS 110, control exists when the

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

- parent has power over the entity,
- is exposed or has rights to variable returns from its involvement with the entity and
- has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affects the entity's returns. Subsidiaries are consolidated from the date control commences till the date control ceases.

The Consolidated Financial Statements has been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Parent's separate financial statements.

The financial statements of the Group Companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain/loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

Non-controlling interest in the net assets of consolidated subsidiaries consists of: a) the amount of equity attributable to the Non- controlling interest at the dates on which investment in a subsidiary is made; and b) the share of movements in equity of Non-controlling interest since the date the parent subsidiary relationship came into existence.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2024.

## Translation to foreign currency

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 Other Equity.

## 2.2 Use of estimates and judgment:

The preparation of the Consolidated Financial Statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation of uncertainty at the date of the Consolidated Financial Statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

## 2.3 Functional and Presentation Currency:

The Consolidated Financial Statements are presented in Indian Rupees which is the functional currency of the company, and all values are rounded to the nearest thousands except otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## 2.4 Classification of Assets and Liabilities into Current/Non-Current:

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013.

### Operating cycle

Based on the nature of products and the time lag between the development of the products, providing of services, and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months as its normal operating cycle for the purpose of classification of its Assets and Liabilities into Current and Non-Current.

## 2.5 Revenue Recognition:

The Group derives revenues from Software Products, Solutions & Services.

### i. Revenues from software products, in the form of:

- a) Software licensing
- b) Subscription of software as a service
- c) Application maintenance service

### ii. Revenue from Software services are mainly in the form of Implementation services/Professional services

Revenue is recognized in the Consolidated Statement of Profit and Loss upon transfer of control of promised products or services to customers at transaction price i.e. an amount that reflects the consideration which the Group expects to receive in exchange for those services or products and excluding taxes or duties.

At contract inception, the Group assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Group applies judgment to determine whether each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation. The Group allocates the contract value to separately identifiable performance obligations based on their relative stand-alone selling price (mostly as reflected in the contracts) or residual method. Standalone selling prices are determined based on sale prices for the components when it is regularly sold separately. In cases where the Group is unable to determine the stand-alone selling price, the Group uses expected cost plus margin approach in estimating the stand-alone selling price. For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided. The method for recognizing revenues depends on the nature of the products sold / services rendered.

## A) Revenue from Software Products:

### i. Software Licensing:

Software licensing revenues represent all fees earned from granting customers licenses to use the Group's software, through initial licensing and or through the purchase of additional modules. For software license arrangements that do not require significant modification or customization of the underlying software, revenue is recognized on delivery of the software and when the customer obtains a right to use such licenses.

### ii. Subscription for Software as a Service:

Subscription fees for offering the hosted software as a service are recognized as revenue ratably on straight line basis, over the term of the subscription arrangement.

### iii. Application Maintenance Services:

Fees for the application maintenance services, covering inter alia the support of the customized software, are recognized as revenue ratably on straight line basis, over the term of the support arrangement.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## B) Revenue from Software Services:

### i. Product Support Services:

Fees for product support services, covering inter alia improvement and upgradation of the basic Software, whether sold separately (e.g., renewal period AMC, GST and subscription services) or as an element of a multiple-element arrangement, are recognized as revenue ratably on straight line basis, over the term of the support arrangement.

### ii. Implementation / Professional Services:

Software Implementation / Professional Services contracts are either fixed price or time and material based. Revenues from fixed price contracts, where the performance obligations are satisfied over time, are recognized using the “percentage of completion” method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. The performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. Where the Software is required to be substantially customized as part of the implementation service, the entire fee for licensing and implementation services is considered to be a single performance obligation and the revenue is recognized using the percentage of completion method as the implementation services are performed. Revenues from implementation services in respect of hosting contracts are to be recognized as revenue ratably over the longer of the contract term or the estimated expected life of the customer relationship.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the Statement of Profit and Loss in the period in which such losses become probable based on the current contract estimates as a contract provision. In the case of time and material contracts, revenue is recognized based on billable time spent in the project, priced at the contractual rate. Any change in scope or price is considered as a contract modification. The Group accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively as a separate contract if the additional services are priced at the standalone selling price.

Non-refundable one-time upfront fees for enablement / application installation, consisting of standardization set-up, initiation or activation or user login creation services in the case of hosting contracts, are recognized once the customer obtains a right to access and use the Software.

## C) Contract assets, liabilities and financing arrangements:

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on implementation / professional services contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones (which we refer to as unbilled services revenue). Unbilled revenues on software licensing are classified as a financial asset where the right to consideration is unconditional upon passage of time (which we refer to as unbilled licenses revenue).

A contract liability is an entity's obligation to transfer software products or software services to a customer for which the entity has received consideration (or the amount is due) from the customer (which we refer to as unearned revenue). The Group assesses the timing of the transfer of software products or software services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Group does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is a year or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

## 2.6 Other Income:

- i. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## 2.7 Employee Benefit expenses

### a) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss in the period in which the employee renders the related service on accrual basis.

### b) Post-employment benefits:

#### 1. Defined Contribution Plan – Provident Fund

The defined contribution plan is post – employment benefit plan under which the Group contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Employee State Insurance Scheme, and Labour Welfare Fund. The Group's contribution to defined contribution plans are recognized in the Consolidated Statement of Profit and Loss in the period in which employee renders the related service.

#### 2. Defined Benefit Plan – Gratuity

The obligation in respect of defined benefit plans, which covers Gratuity Plan, is provided for on the basis of an actuarial valuation at the end of each financial year. The employees are covered under the Company Gratuity Scheme of the Life Insurance Corporation of India.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Consolidated Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Consolidated Statement of Profit and Loss.

Defined benefit costs include service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements), net interest expense or income; and re-measurement. The service cost and net interest expense or income are presented in the Consolidated statement of Profit and Loss.

The liability for Gratuity is ascertained as at the end of the financial year, based on the actuarial valuation by an independent external actuary as at the reporting date using the "projected unit credit method"

The discounted rates used for determining the present value are based on the market yields on Government bonds as at the reporting date. Actuarial gains and losses are recognized in other comprehensive income, net of taxes, for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring cost or termination benefits. The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

#### 3. Other Long Term Employee Benefit Obligations:

The employees are eligible for leave as per leave policy of the Group. 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 reporting date. The expense is recognised in the Consolidated statement of profit and loss at the present value of the amount payable determined based on actuarial valuation using "projected unit credit method".

The obligation is measured at the present value of estimated future cash flows.

The rate used to discount defined benefit obligation is determined by reference to market yields at the reporting date on Indian Government Bonds for the estimated term of obligations.

## 2.8 Share based payment arrangements:

Stock options granted to employees of the Company 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 relevant Ind AS and as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Equity-settled share-based payments to employees are measured by reference to the fair value of the equity instruments.

The fair value determined at the grant date of the equity-settled share-based payments, is charged to Consolidated Statement of Profit and Loss on the straight-line basis over the vesting period of the option, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. The employee stock option outstanding account is shown net of unamortised deferred employee compensation expenses.

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 fair value has been calculated using the Black Scholes Option Pricing model.

### 2.9 Property Plant and Equipment

The expenditure incurred for acquisition or development of Property, Plant & Equipment is recognised as asset if, and only if when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, Plant & Equipment are stated at cost less accumulated depreciation and accumulated impairment losses/allowances, if any.

The initial cost of Property, Plant & Equipment comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the Property, Plant & Equipment's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of item can be measured reliably. The carrying amount of any component accounted for as separate asset is recognized when replaced. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

The carrying amount of an item of Property, Plant & Equipment is derecognized upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the de-recognition of an item of Property, Plant & Equipment is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in Consolidated Statement of Profit and Loss.

If significant parts of an item of Property, Plant & Equipment have different useful lives, then they are accounted for as separate items of Property, Plant & Equipment.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss

#### Depreciation method, Estimated useful lives and residual value

Depreciation on Property, Plant & Equipment is the systematic allocation of the depreciable amount over its estimated useful lives and is provided on a straight-line basis from the date the same are available for use. Useful life of Property, Plant & Equipment is in accordance with the useful lives prescribed in Schedule II of the Companies Act, 2013 (as amended).

Pursuant to the adoption of Ind AS, the Group has not revised its estimate useful life of Property, Plant & Equipment and they continue to remain the same basis the table given below:

Assets type	Useful life (in Years)
Laptops and Desktops	3
Servers and network	6
Office equipment	5
Furniture	10

The accounting policy followed by IRIS Business Services (Asia) Pte. Ltd. regarding depreciation rates in respect following fixed assets is in accordance with the Singapore Companies Act, 1967 / in accordance with the applicable laws of the host country.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Asset Class	Rate followed by Subsidiary	Rate followed by the holding Company
Furniture and Fixtures	33 % p.a.	10% p.a.
Office Equipment	33 % p.a.	20% p.a.

Considering the value of fixed assets held by IRIS Business Services (Asia) Pte. Ltd. and the depreciation thereon, the Group 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.

Depreciation on Property, Plant & Equipment acquired/ disposed-off during the year is provided on pro-rata basis with reference to the date of acquisition/disposal

Items of Property, Plant & Equipment having cost of ₹ 5,000 or less are depreciated fully in the year of purchase/capitalisation.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate is accounted for on a prospective basis.

## Intangible Assets

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to that asset will flow to the Group and the cost of the item can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Directly attributable costs, that are capitalised as part of the software development include employee costs and an appropriate portion of relevant overheads or expenses.

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Consolidated Statement of Profit and Loss.

## Intangible Assets under Development

Intangible assets under development are stated at cost less accumulated impairment losses, if any.

Expenses incurred on in-house development of courseware and products are shown as Intangible asset under development till the asset is ready to use. Their technical feasibility and ability to generate future economic benefits is established in accordance with the requirements of Ind AS 38, "Intangible Assets".

## Amortization

Amortization is recognised over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use, as under:

Assets type	Useful life (in Years)
Software	5

The estimated useful life and amortization method is reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on a prospective basis.

## Software development costs

Research costs are expensed as incurred. Software development expenditures on product / platform are recognised as intangible assets when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses, if any. Amortization of these assets begins from the year, following the year in which such development costs are incurred. Amortization expense is recognised in the Consolidated Statement of Profit and

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Loss unless such expenditure forms part of carrying value of another asset. Costs incurred in the development of the product, together with repository of new business components, upon completion of the development phase, have been classified and grouped as "Product software" under intangible assets. The costs which can be capitalized include direct labour, license costs and overhead costs that are directly attributable for the development of the intangible asset for its intended use.

## 2.10 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### As a Lessee

The Group's leased assets consist of leases for office buildings and computers. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- (iii) the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of Property, Plant and Equipment. In addition, the right-of-use asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss if any, is recognized in Consolidated Profit and Loss statement.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## **Short-term leases and leases of low-value assets:**

The Group has elected not to recognise right-to-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an operating expense as per the terms of the lease.

Lease liability and ROU asset have been separately presented in the Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

## **2.11 Borrowing Costs:**

Borrowing cost includes interest expense, amortisation of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, development or production of a qualifying asset are capitalized as part of cost of that asset, till such time the asset is ready for the intended use. All other borrowing costs are recognized as an expense in the period which are incurred and are charged to the Consolidated Statement of Profit & Loss.

The exchange differences arising from the foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs, are regrouped from foreign exchange differences to finance costs.

## **2.12 Derivate Contracts and Accounting:**

The Group enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Consolidated Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. The Company does not hold financial instruments for speculative purpose.

### **Hedge Accounting –**

- The Group designates certain hedging instruments in respect of foreign currency risk as cash flow hedges. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk
- The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in the Consolidated Statement of Profit and Loss.
- Amounts previously recognized in other comprehensive income and accumulated in equity relating to effective portion are reclassified to the Consolidated Statement of Profit and Loss in the periods when the hedged item affects profit or loss. However, when the hedged forecast transaction results in the recognition of a nonfinancial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.
- Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in the Consolidated Statement of Profit and Loss.

## 2.13 Cash and cash equivalents:

Cash and cash equivalents in the Consolidated Balance Sheet comprises of cash at banks and on hand and short term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

## 2.14 Income Tax

Income tax comprises current and deferred tax. It is recognized in the Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

### i. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date in each of the applicable jurisdictions. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

### ii. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax liabilities are generally recognised for all taxable temporary differences. The Group recognises deferred tax assets only when it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

### iii. Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Consolidated Statement of Profit and Loss and is considered as (MAT Credit Entitlement). The Group reviews the same at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal Income Tax during the specified period. Minimum

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence, it is presented as Deferred Tax Asset.

## 2.15 GST Input Tax Credit

Goods and Service tax Input tax credit is accounted in the books in the period in which supply of goods or service received is accounted and when there is no uncertainty in availing/utilizing the credits. 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 unutilized input credit under the GST provisions as on the reporting date was disclosed as other current asset in the Consolidated Balance Sheet.

## 2.16 Foreign Currency Transactions:

- Transactions denominated in foreign currencies are recognised at the exchange rates prevailing on the date of the transactions. As at reporting date, monetary assets and liabilities designated in foreign currency are translated at the closing exchange rate. Foreign currency non-monetary items measured at fair value on initial recognition are translated at the prevailing exchange rate as at the date of initial transactions. Foreign currency nonmonetary items measured in terms of historical cost are not translated at the reporting date .
- Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets (tangible/ intangible) under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and exchange differences on transactions entered into in order to hedge certain foreign currency risks. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.
- Foreign currency gain/loss are reported on a net basis

## 2.17 Provisions, Contingent Liabilities, Contingent Assets:

### i. Provisions

A provision is recognized when the Group has a present obligation (Legal or Constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date, unless the effect of time value of money is material. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Group.

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities. Contingent assets are not recognized in the Consolidated financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Further, long term provisions are determined by discounting the expected future cash flow specific to the liability. The unwinding of the discount is recognized as a finance cost.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## ii. Onerous Contracts:

A contract is considered as onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

## iii. Contingent Liabilities and Assets:

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. The Group uses significant judgement to disclose contingent liabilities. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

A contingent asset is disclosed, where an inflow of economic benefits is probable. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised

## 2.18 Earnings Per Share:

The Basic earnings per share is computed by dividing the net profit or loss (before other comprehensive income) for the year attributable to equity shareholders after deducting attributable taxes by the weighted average number of equity shares outstanding during the year/ reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, amalgamations, bonus element in a rights issue, buyback, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year, as adjusted for the effects of potential dilution of equity shares, by the weighted average number of equity shares and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

## 2.19 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

### i. Initial Recognition

Financial assets and financial liabilities are initially measured at fair value except for trade results which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are adjusted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Consolidated Statement of Profit and Loss.

### ii. Classification and Subsequent Measurement :

#### • Financial Assets -

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## **a. Amortised Cost**

A financial asset shall be classified and measured at amortised cost (based on Effective Interest Rate method), if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash and bank balances, trade receivables, loans and other financial assets of the Group are covered under this category

## **b. Fair Value through Other Comprehensive Income**

A financial asset shall be classified and measured at Fair Value Through Other Comprehensive Income, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

## **c. Fair Value through Profit or Loss**

A financial asset shall be classified and measured at Fair Value Through Profit or Loss unless it is measured at amortised cost or at Fair Value Through Other Comprehensive Income.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## **Equity Instruments:**

Equity investments in Subsidiaries, Associates and Joint ventures are out of scope of Ind AS 109, "Financial Instruments" and hence, the Group has accounted for its investment in Subsidiaries, Associates and Joint Ventures at cost.

## **Impairment of non-financial assets (Property, Plant & Equipment/ Intangible assets)**

At the end of each reporting period, the Group reviews the carrying amounts of non-financial assets to determine whether there is any indication that any assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Consolidated Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Consolidated Statement of Profit and Loss.

## **Impairment of financial assets**

Financial assets, other than those at Fair Value Through Profit or Loss, are assessed for indicators of impairment at the end of each reporting period.

The Group assesses on a forward-looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies 'simplified approach' as specified under Ind AS 109, "Financial Instruments", which requires expected lifetime losses to be recognized from initial recognition of the receivables. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience and is adjusted for forward looking estimates.

## **Derecognition of financial assets:**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset (other than specific equity instrument classified as Fair Value Through Other Comprehensive Income) in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Consolidated statement of profit or loss if such gain or loss would have otherwise been recognised in Consolidated statement of profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement and the part it no longer recognized on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in Consolidated statement of profit or loss if such gain or loss would have otherwise been recognized in Consolidated statement of profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

## **• Financial Liabilities and Equity Instruments:**

### **Classification as Debt or Equity:**

Debt and equity instruments, issued by the Group, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument prescribed under Indian Accounting Standards.

### **Equity Instruments:**

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

## **Financial Liabilities:**

Financial liabilities are classified, at initial recognition as fair value through profit or loss:

- Loans and borrowings,
- Payables, or
- as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, are recognised net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments

## **Subsequent Measurement:**

The measurement of financial liabilities depends on their classification, as described below

## **Financial Liabilities at Fair Value Through Profit or Loss:**

Financial liabilities at Fair Value Through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at Fair Value Through Profit or Loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 "Financial Instruments". Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

## **Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.**

Financial liabilities, designated upon initial recognition at Fair Value Through Profit or Loss, are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 "Financial Instruments" are satisfied.

## **Loans and Borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

## **Derecognition of Financial Liabilities:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Consolidated Statement of Profit and Loss.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Offsetting

Financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously and are not prohibited under any Ind AS or applicable law.

## 2.20 Segment Reporting:

Based on Management approach, as defined in Ind AS 108 "Operating Segments", the "Chief Operating Decision Maker" (CODM) evaluates the operating segments. Operating segments are reported in a manner consistent with the internal reporting provided to CODM. Operating Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Geographical segment is identified based on geography in which major products of the Group are sold or services are provided.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to the segments based on their relationship to the operating activities of the segment. Unallocated Corporate Items include general corporate income and expenses which are not attributable to segments

## 2.21 Cash Dividend to Equity Holders of the Company :

The Group recognizes a liability to make cash distributions to equity holders of the Group when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## 2.22 Critical Accounting Judgements and Key Sources of Estimation Uncertainty:

The preparation of the Consolidated financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### Key estimates, assumptions and judgements

The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

### Useful Life & Residual of Property, Plant and Equipment (PPE) and Intangible Assets

Property, Plant and Equipment/ Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. Depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets

### Recognition & Measurement of Current taxes and Deferred Taxes

- i. Measurement of income taxes for the current period are done based on applicable tax laws and management's judgment by evaluating positions taken in tax returns, interpretations of relevant provisions of law, and based on the admissibility of various expense while determining the provisions for income tax.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

- ii. Significant management judgment is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

## **Recognition and Measurement of Contingent liabilities**

Management judgment is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances to reflect the current tax estimate.

## **Impairment of financial assets**

The impairment of financial assets including allowance for expected credit loss is done based on assumptions about risk of default and expected cash loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgment considering the past history, market conditions and forward-looking estimates at the end of each reporting date.

## **Impairment of Investments in Subsidiaries / Associate**

The Group assesses investments in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the Group estimates the recoverable amount of the investment in subsidiary. If the recoverable amount of the investment is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Consolidated statement of profit and loss. The recoverable amount is based on management judgement considering realizable value, future cashflows, discount rates and the risks specific to the asset.

## **Measurement of Defined Employee Benefit plans and other long term benefits**

The cost of the defined benefit plan and other long term employee benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rate are reasonable. Due to the complexities involved in the valuation and considering its long term nature, this obligation is highly sensitive to changes in these assumptions.

## **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is exercised in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## **Share based payments**

The Group initially measures the equity settled transactions with employees using fair value model. This requires determination of most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including volatility and dividend yield and making assumptions about them.

## **Revenue recognition**

The Group exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group applies the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts, which are performed over a period of time. The Group exercises

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation. The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Judgment is also required to determine the transaction price for the contract. The Group uses judgment to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

### Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 "Leases". Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the noncancellable term of a lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset). The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment or which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note 3a : Property, Plant and Equipment

(Amount in Thousands - ₹)

Particulars	Owned Assets			Total
	Plant and Equipment (Computer Equipments)	Furniture and Fixtures	Office Equipment	
<b>Gross Carrying Value</b>				
<b>As at April 1, 2023</b>	41,646	3,361	5,676	50,683
Additions	11,027	272	47	11,346
Disposals / Adjustments	(115)	(150)	(5)	(270)
<b>As at March 31, 2024</b>	<b>52,558</b>	<b>3,483</b>	<b>5,718</b>	<b>61,759</b>
<b>Accumulated Depreciation</b>				
<b>As at April 1, 2023</b>	30,890	3,361	4,765	39,016
Depreciation for the year	7,582	160	203	7,945
Disposals / Adjustments	(133)	(150)	(5)	(288)
<b>As at March 31, 2024</b>	<b>38,339</b>	<b>3,371</b>	<b>4,963</b>	<b>46,673</b>
<b>Net Carrying Value As at March 31, 2024</b>	<b>14,219</b>	<b>112</b>	<b>755</b>	<b>15,086</b>
<b>Gross Carrying Value</b>				
<b>As at April 1, 2022</b>	66,493	3,750	5,084	75,327
Additions	7,669	-	1,296	8,965
Disposals / Adjustments	(32,516)	(389)	(704)	(33,609)
<b>As at March 31, 2023</b>	<b>41,646</b>	<b>3,361</b>	<b>5,676</b>	<b>50,683</b>
<b>Accumulated Depreciation</b>				
<b>As at April 1, 2022</b>	58,672	3,611	5,079	67,362
Depreciation for the year	4,734	139	31	4,904
Disposals	(32,516)	(389)	(345)	(33,250)
<b>As at March 31, 2023</b>	<b>30,890</b>	<b>3,361</b>	<b>4,765</b>	<b>39,016</b>
<b>Net Carrying Value As at March 31, 2023</b>	<b>10,756</b>	<b>-</b>	<b>911</b>	<b>11,667</b>

(i) There are no restriction on the use of the above mentioned assets and none of these assets are pledged as security

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note 3b : Right-of-Use-Assets

(Amount in Thousands - ₹)

Particulars	Building #	Laptops	Office	Total
<b>Gross Carrying Value</b>				
<b>As at April 1, 2023</b>	1,07,094	2,377	2,346	1,11,817
Additions	-	-	11,464	11,464
Disposals / Adjustments	-	-	(2,346)	(2,346)
<b>As at March 31, 2024</b>	<b>1,07,094</b>	<b>2,377</b>	<b>11,464</b>	<b>1,20,935</b>
<b>Accumulated Depreciation</b>				
<b>As at April 1, 2023</b>	20,383	1,850	456	22,689
Additions	1,945	527	1,537	4,009
Disposals	-	-	(847)	(847)
<b>As at March 31, 2024</b>	<b>22,328</b>	<b>2,377</b>	<b>1,146</b>	<b>25,851</b>
<b>Net Carrying Value As at March 31, 2024</b>	<b>84,766</b>	<b>-</b>	<b>10,318</b>	<b>95,084</b>
<b>Gross Carrying Value</b>				
<b>As at April 1, 2022</b>	1,07,094	2,377	-	1,09,471
Additions	-	-	2,346	2,346
Disposals / Adjustments	-	-	-	-
<b>As at March 31, 2023</b>	<b>1,07,094</b>	<b>2,377</b>	<b>2,346</b>	<b>1,11,817</b>
<b>Accumulated Depreciation</b>				
<b>As at April 1, 2022</b>	18,436	1,058	-	19,494
Additions	1,947	792	456	3,195
Disposals	-	-	-	-
<b>As at March 31, 2023</b>	<b>20,383</b>	<b>1,850</b>	<b>456</b>	<b>22,689</b>
<b>Net Carrying Value As at March 31, 2023</b>	<b>86,711</b>	<b>527</b>	<b>1,890</b>	<b>89,128</b>

# Net block for building amounting to ₹ 84,766 Thousand (Previous Year : ₹ 86,711 Thousand) are pledged as security against the secured borrowing

There are no leases entered by the company for low value assets.

The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Lease contracts entered by the Company majorly pertain for buildings taken on lease to conduct its business in the ordinary course.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note 4a : Other Intangible Assets

(Amount in Thousands - ₹)

Particulars	Database	URL's	Computer Software	In-House Software	Total
<b>Gross Carrying Value</b>					
<b>As at April 01, 2023</b>	600	500	15,288	4,72,674	4,89,062
Additions	-	-	-	14,127	14,127
Disposals	-	-	(424)	-	(424)
<b>As at March 31, 2024</b>	<b>600</b>	<b>500</b>	<b>14,864</b>	<b>4,86,801</b>	<b>5,02,765</b>
<b>Accumulated Amortisation</b>					
<b>As at April 01, 2023</b>	600	500	15,227	4,34,340	4,50,667
Amortisation for the year	-	-	30	33,246	33,276
Disposals	-	-	(424)	-	(424)
<b>As at March 31, 2024</b>	<b>600</b>	<b>500</b>	<b>14,833</b>	<b>4,34,340</b>	<b>4,83,519</b>
<b>Net Carrying Value As at March 31, 2024</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>19,215</b>	<b>19,246</b>
<b>Gross Carrying Value</b>					
<b>As at April 01, 2022</b>	600	500	15,288	4,69,157	4,85,545
Additions	-	-	-	3,517	3,517
Disposals	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>600</b>	<b>500</b>	<b>15,288</b>	<b>4,72,674</b>	<b>4,89,062</b>
<b>Accumulated Amortisation</b>					
<b>As at April 01, 2022</b>	600	500	15,135	3,95,473	4,11,708
Amortisation for the year	-	-	92	38,867	38,959
Disposals	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>600</b>	<b>500</b>	<b>15,227</b>	<b>4,34,340</b>	<b>4,50,667</b>
<b>Net Carrying Value As at March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>61</b>	<b>38,334</b>	<b>38,395</b>

Note: There are no restrictions on the use of above mentioned assets

The in-house software estimated amortisation for the years subsequent to March 31, 2024 is as follows:

(Amount in Thousands - ₹)

Year ending March 31,	2025	2026	2027	2028	2029
Estimated amortisation	4,509	3,667	2,825	2,825	2,353

## Note 4b : Intangible Assets under Development

(Amount in Thousands - ₹)

Particulars	In-House Software	Total
<b>As at April 01, 2023</b>	16,104	16,104
Additions	13,259	13,259
Disposals	-	-
<b>Net Carrying Value As at March 31, 2024</b>	<b>29,363</b>	<b>29,363</b>
<b>As at April 01, 2022</b>	3,865	3,865
Additions	12,239	12,239
Disposals	-	-
<b>Net Carrying Value As at March 31, 2023</b>	<b>16,104</b>	<b>16,104</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Intangible assets under development ageing schedule:

A: For intangible assets which are under development

#### Intangible assets under development as on March 31, 2024

(Amount in Thousands - ₹)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress - Software Products					
IRIS Noah	5,720	6,514	-	-	12,234
IRIS Bushchat	4,807	3,984	-	-	8,791
IRIS ASAP	2,202	-	-	-	2,202
IRIS WATCH	3,893	-	-	-	3,893
IRIS GST Malaysia e-invoicing	2,243	-	-	-	2,243
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>18,865</b>	<b>10,498</b>	<b>-</b>	<b>-</b>	<b>29,363</b>

#### Intangible assets under development as on March 31, 2023

(Amount in Thousands - ₹)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress - Software Products	-	-	-	-	-
IRIS Noah	4,179	2,335	-	-	6,514
IRIS Bushchat	2,454	1,530	-	-	3,984
IRIS GSTN IRP	5,606	-	-	-	5,606
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>12,239</b>	<b>3,865</b>	<b>-</b>	<b>-</b>	<b>16,104</b>

B: Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan : NIL

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note 5 : Other Financial Assets

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Non-Current Other Financial Assets (Carried at amortized cost)</b>		
(a) Security Deposits	543	377
(b) Bank Deposits with more than 12 months maturity	867	443
(c) Rental Deposits	856	172
<b>Total Non-Current Other Financial Assets</b>	<b>2,266</b>	<b>992</b>
Earmarked balances with banks primarily relate to margin money for bank guarantees.		
<b>(2) Current Other Financial Assets</b>		
(a) Rental Deposits	792	451
(b) Contract Assets	65,183	19,706
Less: Allowance for Contract Assets	-	(1,773)
(c) Deferred Expenses	3,049	-
(d) Interest Accrued but not due	1,146	583
(e) Foreign currency forward and options contracts	207	-
(f) Others	462	326
<b>Total Current Other Financial Assets</b>	<b>70,839</b>	<b>19,293</b>
<b>Contract Assets includes</b>		
Contract Assets - other than related parties	65,183	17,933
Contract Assets - related parties	-	1,773

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Contract Assets Ageing schedule:

For the period ended March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Contract Assets - considered good	65,183	-	-	-	-	65,183
(ii) Undisputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Contract Assets - credit impaired	-	-	-	-	-	-
(iv) Disputed Contract Assets - considered good	-	-	-	-	-	-
(v) Disputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Contract Assets - credit impaired	-	-	-	-	-	-
<b>Sub Total</b>	<b>65,183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,183</b>
Less: Allowance for Contract Asset	-	-	-	-	-	-
<b>Total</b>	<b>65,183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,183</b>

(Amount in Thousands - ₹)

### Contract Assets Ageing schedule:

For the period ended March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Contract Assets - considered good	18,529	1,177	-	-	-	19,706
(ii) Undisputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Contract Assets - credit impaired	-	-	-	-	-	-
(iv) Disputed Contract Assets - considered good	-	-	-	-	-	-
(v) Disputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Contract Assets - credit impaired	-	-	-	-	-	-
Sub Total	18,529	1,177	-	-	-	19,706
Less: Allowance for Contract Asset	(596)	(1,177)	-	-	-	(1,773)
Total	17,933	-	-	-	-	17,933

(Amount in Thousands - ₹)

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note 6 : Trade Receivables

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Current Trade Receivables</b>		
(a) Trade Receivables considered good - Secured;	-	-
(b) Trade Receivables considered good - Unsecured;	2,26,847	2,51,095
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
(d) Trade Receivables - Credit Impaired	-	-
	<b>2,26,847</b>	<b>2,51,095</b>
Less: Allowance for Bad and Doubtful Trade Receivables	(3,683)	(2,734)
<b>Total Trade Receivables</b>	<b>2,23,164</b>	<b>2,48,361</b>
<b>Trade receivables includes</b>		
Trade receivables - other than related parties	2,21,174	2,49,268
Trade receivables - related parties	5,673	1,827

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Trade Receivables Ageing schedule:

For the period ended March 31, 2024

Particulars	Outstanding for following periods from due date of payment						(Amount in Thousands - ₹)
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,46,220	58,713	12,999	7,332	269	1,314	2,26,847
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Sub Total</b>	<b>1,46,220</b>	<b>58,713</b>	<b>12,999</b>	<b>7,332</b>	<b>269</b>	<b>1,314</b>	<b>2,26,847</b>
Less: Allowance for Bad and Doubtful Trade Receivables	-	(388)	(1,100)	(811)	(134)	(1,250)	(3,683)
<b>Total</b>	<b>1,46,220</b>	<b>58,325</b>	<b>11,899</b>	<b>6,521</b>	<b>135</b>	<b>64</b>	<b>2,23,164</b>

For the period ended March 31, 2023

Particulars	Outstanding for following periods from due date of payment						(Amount in Thousands - ₹)
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,50,984	68,083	24,013	6,627	159	1,229	2,51,095
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Sub Total</b>	<b>1,50,984</b>	<b>68,083</b>	<b>24,013</b>	<b>6,627</b>	<b>159</b>	<b>1,229</b>	<b>2,51,095</b>
Less: Allowance for Bad and Doubtful Trade Receivables	-	(214)	(866)	(401)	(24)	(1,229)	(2,734)
<b>Total</b>	<b>1,50,984</b>	<b>67,869</b>	<b>23,147</b>	<b>6,226</b>	<b>135</b>	<b>-</b>	<b>2,48,361</b>

(i) Working Capital Borrowings are secured by hypothecation of Book debts of the Company.

(ii) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Refer Note 26 for trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note 7 : Cash and Cash Equivalents

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
(1) Balances with banks		
a) in current accounts	53,239	36,490
b) in deposit accounts with original maturity of 3 months or less	67,449	26,129
c) Earmarked balances with banks	18,634	5,329
(2) Cash on Hand	20	22
<b>Total Cash and Cash Equivalents</b>	<b>1,39,342</b>	<b>67,970</b>

There are no restrictions with regard to cash and cash equivalents as at the end of the current and previous reporting periods.

The deposits maintained by the Company with banks comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

Earmarked balances with banks primarily relate to margin money for bank guarantees.

## Note 8 : Bank Balances other than Cash and Cash Equivalents above

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
(1) Balances with banks		
a) in deposit accounts due for maturity within 12 months of the reporting date	18,442	11,538
b) Earmarked balances with banks	3,962	13,094
<b>Total Bank Balances other than Cash and Cash Equivalents above</b>	<b>22,404</b>	<b>24,632</b>

Earmarked balances with banks primarily relate to margin money for bank guarantees.

## Note 9 : Loans (Carried at amortized cost)

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Non-Current Loans</b>	-	-
<b>(2) Current Loans</b>		
(a) Other Loans - Loans to Employees		
(i) Loans to Employees considered good - Unsecured;	469	128
Less: Allowance for Bad and Doubtful Loans to Employees	-	-
<b>Total Current Loans</b>	<b>469</b>	<b>128</b>

### Note:

- (i) No loans and advances are in nature of loan are granted to Promoters/ Directors/ Key Managerial Personnel and related parties.
- (ii) There are no loans and advances in the nature of loans given to subsidiaries and hence no disclosure is provided under Regulation 34(3) and 53(f) of SEBI Listing Obligation and Disclosure Requirements 2015 and Section 186 of the Companies Act 2013

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note 10 : Other Assets

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Other Non-Current Assets</b>	-	-
<b>(2) Other Current Assets</b>		
(a) Advance other than Capital Advance		
(i) Advances to directors or other officers	13	735
(ii) Advance to Suppliers	531	1,753
(b) Others		
(i) Prepaid Expenses	9,710	5,706
(ii) Contract Assets	1,31,485	1,45,854
Less: Allowance for Contract Assets	(9,813)	(2,049)
(iii) Withholding Taxes and Others	3,225	2,499
<b>Total Other Current Assets</b>	<b>1,35,151</b>	<b>1,54,498</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Contract Assets Ageing schedule:

For the period ended March 31, 2024

Particulars	Outstanding for following periods from due date of payment						(Amount in Thousands - ₹)
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Contract Assets - considered good	34,920	14,913	42,096	39,556	-	1,31,485	
(ii) Undisputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Contract Assets - credit impaired	-	-	-	-	-	-	
(iv) Disputed Contract Assets - considered good	-	-	-	-	-	-	
(v) Disputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	
(vi) Disputed Contract Assets - credit impaired	-	-	-	-	-	-	
<b>Sub Total</b>	<b>34,920</b>	<b>14,913</b>	<b>42,096</b>	<b>39,556</b>	<b>-</b>	<b>1,31,485</b>	
Less: Allowance for Contract Asset	-	-	(1,263)	(8,550)	-	(9,813)	
<b>Total</b>	<b>34,920</b>	<b>14,913</b>	<b>40,833</b>	<b>31,006</b>	<b>-</b>	<b>1,21,672</b>	

### Contract Assets Ageing schedule:

For the period ended March 31, 2023

Particulars	Outstanding for following periods from due date of payment						(Amount in Thousands - ₹)
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
(i) Undisputed Contract Assets - considered good	45,081	32,466	68,307	-	-	1,45,854	
(ii) Undisputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Contract Assets - credit impaired	-	-	-	-	-	-	
(iv) Disputed Contract Assets - considered good	-	-	-	-	-	-	
(v) Disputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	
(vi) Disputed Contract Assets - credit impaired	-	-	-	-	-	-	
<b>Sub Total</b>	<b>45,081</b>	<b>32,466</b>	<b>68,307</b>	<b>-</b>	<b>-</b>	<b>1,45,854</b>	
Less: Allowance for Contract Assets	-	-	(2,049)	-	-	(2,049)	
<b>Total</b>	<b>45,081</b>	<b>32,466</b>	<b>66,258</b>	<b>-</b>	<b>-</b>	<b>1,43,805</b>	

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note 11a : Equity Share Capital

(Amount in Thousands - ₹)

Particulars	March 31, 2024		March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorised Share Capital</b>				
Equity shares of ₹ 10 par value	32,000	3,20,000	25,000	2,50,000
	<b>32,000</b>	<b>3,20,000</b>	<b>25,000</b>	<b>2,50,000</b>
<b>Issued, Subscribed and paid-up capital</b>				
Equity shares of ₹ 10 par value fully paid-up	19,361	1,93,612	19,361	1,93,612
<b>Total</b>	<b>19,361</b>	<b>1,93,612</b>	<b>19,361</b>	<b>1,93,612</b>

### Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

(Amount in Thousands - ₹)

Particulars	March 31, 2024		March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares outstanding at the beginning of the year	19,361	1,93,612	19,218	1,92,182
Add: Equity shares issued during the year			143	1,430
Less: Equity shares cancelled during the year	-	-	-	-
<b>Equity Shares outstanding at the end of the year</b>	<b>19,361</b>	<b>1,93,612</b>	<b>19,361</b>	<b>1,93,612</b>

### Terms / rights attached to class of shares

The Company has only one class of share referred to as Equity Shares having a par value of ₹ 10 each. The holders of Equity Shares are entitled to one vote per share. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### The company does not have a Holding Company

As per records of the Company, including its register of shareholder/members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares

For the period of five years immediately preceding the date at which the Balance Sheet is prepared there are no shares allotted as fully paid up pursuant to contract without payment being received in cash; no shares have been allotted as fully paid up by way of bonus shares; and there are no shares bought back

### Details of promoters and shareholders holding more than 5% of the total equity shares of the Company

Promoter name	Shares held by promoters at the end of the year		% change during the year
	No. of shares	% of total shares	
Mr Swaminathan Subramaniam	4,472	23.10%	-0.52%
Mr Balachandran Krishnan	1,065	5.50%	-0.20%
Ms Deepta Rangarajan	1,446	7.47%	0.00%
<b>Total</b>	<b>6,983</b>	<b>36.07%</b>	

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note 11b : Other Equity

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Retained Earnings	1,01,455	14,520
Securities Premium	1,24,936	1,24,936
General Reserve	475	475
Share based payment Reserve	11,344	4,371
Other Comprehensive Income	(20,006)	(17,941)
Cash Flow Hedge	(727)	(2,889)
Foreign Currency Translation Reserve - FCTR	(1,528)	(1,670)
<b>Total other equity</b>	<b>2,15,949</b>	<b>1,21,802</b>

### Nature and purpose of other reserves:

#### Retained earnings

Retained earnings represent the accumulated earnings/(losses) that the Group has till date

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	14,520	(28,256)
Net Profit / (Loss) for the year	86,935	42,720
Transfer from Cancellation of Stock option	-	56
<b>Closing balance</b>	<b>1,01,455</b>	<b>14,520</b>

### Nature and purpose of other reserves:

Represents the portion of the net income / (loss) of the Group.

#### Securities Premium

Securities premium represents share issued at premium less share issue expenses. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	1,24,936	1,20,768
Add: Premium on equity shares issued under ESOP	-	4,168
<b>Closing balance</b>	<b>1,24,936</b>	<b>1,24,936</b>

### Nature and purpose of other reserves:

Represents excess of share application money received over par value of shares and includes employee stock compensation costs accrued.

#### Share options outstanding account

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	4,371	1,111
Share-based payments	6,973	4,339
Employee stock options exercised / Cancelled during the year	-	(1,079)
<b>Closing balance</b>	<b>11,344</b>	<b>4,371</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Nature and purpose of other reserves:

The share options outstanding account is used to recognize the grant date fair value of options issued to employees under various employees stock option schemes of the Company.

### Other comprehensive income

This represents items of income and expense that are not recognised in profit and loss but are shown in the statement of profit and loss as "Other comprehensive income". This comprises actuarial gain / loss on remeasurement of defined benefit plans and the income tax effect thereon.

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	(22,500)	(13,661)
Remeasurements of defined benefit liability/ (asset)	(2,065)	(5,453)
Cash Flow Hedge	2,162	(3,600)
FCTR	142	214
<b>Closing balance</b>	<b>(22,261)</b>	<b>(22,500)</b>

### Nature and purpose of other reserves:

#### Effective portion of cash flow hedge

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to Statement of Profit and Loss in the period in which the hedged transaction occurs.

#### Remeasurements of post-employment benefit obligations

Remeasurements of post-employment benefit obligations comprises of actuarial gains and losses on calculation of defined benefit obligations and differences between the fair value of plan assets, return on plan assets and actual interest income on plan assets. These remeasurements are recognised in other comprehensive income and will not be reclassified to Statement of Profit and Loss.

## Note 12 : Borrowings

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
(1) <b>Non-Current Borrowings</b>	-	-
(2) <b>Current Borrowings</b>		
(a) Loan repayable on demand	54,347	54,558
<b>Total Current Borrowings</b>	<b>54,347</b>	<b>54,558</b>

### Loan repayable on demand, Secured

ICICI Bank Limited

#### 1. Security details

- Exclusive charge by way of equitable mortgage on the property T-231, 3<sup>rd</sup> Floor, Tower No. 2, International Infotech Park, Vashi, Navi Mumbai - 400 703.
- Unconditional and irrevocable Personal guarantees of the Promoters

#### 2. Interest rate

The rate of interest of the Facility shall be the sum of the Repo Rate \*+ "Spread" per annum, plus applicable statutory levy, if any ("Interest Rate"). Spread during the year has been in the range of 2.6% to 3%.

\*"Repo Rate" or "Policy Repo Rate" means the rate of interest published by the Reserve Bank of India ("RBI") on the RBI website from time to time as Repo Rate or Policy Repo Rate. The Repo Rate component of the Interest Rate resets after every 3 months following the date of limit set-up /renewal (as applicable).

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note 13 : Lease Liabilities

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Non-Current Lease Liabilities</b>		
(a) Lease Liabilities	8,584	1,235
<b>Total Current Lease Liabilities</b>	<b>8,584</b>	<b>1,235</b>
<b>(2) Current Lease Liabilities</b>		
(a) Lease Liabilities	1,723	1,300
<b>Total Current Lease Liabilities</b>	<b>1,723</b>	<b>1,300</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## Movement in lease liabilities

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Lease liability in the beginning of the year</b>	<b>2,535</b>	<b>1,365</b>
Addition	11,464	2,346
Disposal	(2,346)	-
Interest expense	587	93
Lease payment	(1,933)	(1,269)
<b>Lease liability at the end of the year</b>	<b>10,307</b>	<b>2,535</b>

The weighted average incremental borrowing rate applied to lease liabilities as at incremental borrowing rate is between the range of 8.50% to 9.50% for a period varying from 2 to 4 years

## Maturity analysis of lease liability

### Maturity analysis- Contractual undiscounted cash flow

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	2,583	1,467
One to three years	8,550	1,218
More than three years	1,531	-

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note 14 : Provisions

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Non-Current Provisions</b>		
(a) Provision for Employee Benefits		
(i) Gratuity (refer note no. 21 a)	50,538	46,632
(ii) Leave Encashment (refer note no. 21 b)	10,150	9,145
<b>Total Non-Current Provisions</b>	<b>60,688</b>	<b>55,777</b>
<b>(2) Current Provisions</b>		
(a) Provision for Employee Benefits		
(i) Gratuity (refer note no. 21 a)	10,458	9,888
(ii) Leave Encashment (refer note no. 21 b)	4,839	2,894
(iii) Incentives	12,204	6,958
(b) Other Provisions		
(i) Provision for Warranty	481	481
(ii) Other Provisions	-	-
<b>Total Current Provisions</b>	<b>27,982</b>	<b>20,221</b>

#### Movement of Provision for warranty

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	481	481
Additions during the year	-	-
Derecognition during the year	-	-
<b>Closing Balance</b>	<b>481</b>	<b>481</b>

Provision for post-sales client support and other provisions majorly represents costs associated with providing sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over the period of Contract.

### Note 15 : Deferred Tax Liabilities (Net)

#### (a) Deferred tax (asset) / liability

(Amount in Thousands - ₹)

Nature of (asset) / liability Particulars	Balance Sheet at		Statement of profit and loss & OCI	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Tax impact on difference between book depreciation / amortization and depreciation under the Income Tax Act, 1961	21,571	20,754	87	166
Tax impact on unutilized carry forward losses	-	(13,382)	-	-
Tax effect of provision for gratuity & compensated absences	(23,055)	(14,881)	-	-
Tax effect of provision for bad and doubtful debts / advances	(935)	(711)	-	-
Tax impact on remeasurement gains and (losses) on defined benefit obligations (net)	-	-	-	-
Tax impact on all other items	(39,730)	(5,538)	(11,500)	-
<b>Deferred tax (asset) / liability (net)</b>	<b>(42,149)</b>	<b>(13,758)</b>	<b>(11,413)</b>	<b>166</b>
<b>Deferred tax (income) / expense (net)</b>			<b>(11,413)</b>	<b>166</b>
<b>Amount recognised</b>	<b>(11,413)</b>	<b>227</b>	<b>-</b>	<b>-</b>

Note : Pursuant to application of prudence, the deferred tax asset of ₹ 1.14 cr is recognised. The assets pertains to MAT credit available with the Company.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## (b) Reconciliation of deferred tax (asset) / liability (including MAT credit)

(Amount in Thousands - ₹)

Particulars	Balance Sheet at	
	March 31, 2024	March 31, 2023
<b>i) Deferred tax (asset) / liability</b>		
Opening balance	227	61
Deferred tax (income) / expense during the year recognized in Statement of Profit and Loss	(11,413)	166
Deferred tax (income) / expense during the year recognized in OCI	-	-
<b>Closing balance</b>	<b>(11,186)</b>	<b>227</b>

## (c) Components of tax expenses

(Amount in Thousands - ₹)

Particulars	Statement of Profit and Loss	
	March 31, 2024	March 31, 2023
<b>i) Statement of Profit and Loss</b>		
<b>Current tax</b>		
Current Income Tax charge (including MAT)	25,619	9,004
Tax Expense for earlier year	30	(3)
<b>Total Tax (income) / expenses reported in Statement of Profit and Loss</b>	<b>25,649</b>	<b>9,001</b>
<b>Deferred tax</b>		
Relating to the origination and reversal of temporary differences	(11,413)	166
<b>Total Tax (income) / expenses reported in Statement of Profit and Loss</b>	<b>(11,413)</b>	<b>166</b>
<b>ii) Other comprehensive income (OCI)</b>		
Tax impact on remeasurement gains / (losses) on defined benefit obligations (net)	198	(1,153)
<b>Total tax (income) / expense (net)</b>	<b>198</b>	<b>(1,153)</b>
<b>iii) Total tax (income) / expense reported in the total comprehensive income</b>	<b>14,434</b>	<b>8,013</b>

(d) A reconciliation of the tax provision to the amount computed by applying the statutory Income tax rate to the income before taxes is summarised below:

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Accounting profit before tax	1,02,119	52,018
Less: Adjustment from carry forward losses	41,006	45,595
Corporate tax rate %	28	28
<b>Computed tax expense</b>	<b>17,002</b>	<b>1,787</b>
<b>Increase / (reduction) in taxes on account of:</b>		
MAT on above mentioned accounting profit before tax	-	9,004
Tax adjustments of earlier years	30	(3)
Non-deductible expenses	16,632	(1,787)
Additional allowances / deductions for tax purposes	(8,015)	-
<b>Current Tax Recognised</b>	<b>25,649</b>	<b>9,001</b>
Deferred tax (income) / expense recognition during the year	(11,413)	166
<b>Tax (income) / expense reported in the Statement of Profit and Loss</b>	<b>14,236</b>	<b>9,167</b>
<b>Tax (income) / expense reported in the other comprehensive income</b>	<b>198</b>	<b>(1,153)</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note 16 : Trade Payables

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Non-Current Trade Payables</b>	-	-
<b>(2) Current Trade Payables</b>		
(a) Total outstanding dues of micro and small enterprises	3,219	3,260
(b) Total outstanding dues of creditors other than micro and small enterprises	23,645	8,141
Trade payables - related parties		
Trade payables - others		
<b>Total Current Trade Payables</b>	<b>26,864</b>	<b>11,401</b>

#### For the period ended March 31, 2024

(Amount in Thousands - ₹)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3,219	-	-	-	-	-	3,219
(ii) Others	17,624	4,272	1,038	623	-	88	23,645
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>20,843</b>	<b>4,272</b>	<b>1,038</b>	<b>623</b>	<b>-</b>	<b>88</b>	<b>26,864</b>

#### For the period ended March 31, 2023

(Amount in Thousands - ₹)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3,260	-	-	-	-	-	3,260
(ii) Others	7,005	539	-	511	-	86	8,141
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>10,265</b>	<b>539</b>	<b>-</b>	<b>511</b>	<b>-</b>	<b>86</b>	<b>11,401</b>

#### Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Group has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at March 31, 2024 and March 31, 2023. The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the micro and small enterprises should mention in their correspondence with its customers the entrepreneur's memorandum number as allocated after filing of the memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at March 31, 2024 has been made in the financial statements based on the information received and available with the Group.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note 17 : Other Financial Liabilities

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Non Current Other Financial Liabilities</b>	-	-
<b>(2) Current Other Financial Liabilities</b>		
(a) Current Maturities of Long-Term Debt	-	-
(b) Interest Accrued on borrowings	557	763
(c) Others		
(i) Accrued Compensation to Employees	3,117	55,450
(ii) Accrued Expenses	67,173	61,147
(iii) Foreign Currency Forward and Options Contracts	-	2,948
(iv) Other Payables	733	372
<b>Total Current Other Financial Liabilities</b>	<b>71,580</b>	<b>1,20,680</b>

## Note 18 : Other Liabilities

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) Non Current Other Liabilities</b>	-	-
<b>(2) Current Other Liabilities</b>		
(a) Unearned and Deferred Revenue	93,848	1,02,847
(b) Others Payables		
(i) Statutory Dues Payables	9,875	14,969
(ii) Contribution to PF / ESIC / MLWF / PT Payable	1,963	1,342
(iii) Advance from Customers	163	93
<b>Total Current Other Liabilities</b>	<b>1,05,849</b>	<b>1,19,251</b>

## Note 19 : Revenue from Operations

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of Products	4,65,295	3,73,552
Sale of Services	5,57,671	3,62,160
<b>Total Revenue from Operations</b>	<b>10,22,966</b>	<b>7,35,712</b>
<b>Revenue by Division</b>		
Revenue from Collect Division	4,58,356	2,68,833
Revenue from Create Division	5,23,534	4,32,037
Revenue from Consume Division	41,076	34,842
<b>Total</b>	<b>10,22,966</b>	<b>7,35,712</b>
<b>Revenue Geography-wise</b>		
Asia Pacific	1,20,742	82,578
India	2,90,154	2,77,602
Europe & UK	1,63,701	1,48,398
Middle East	74,273	78,512
Africa	3,08,358	96,314
America	65,738	52,308
<b>Total</b>	<b>10,22,966</b>	<b>7,35,712</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

The Company has presented contract assets as “unbilled revenues” (refer note no. 5 and 10) in other assets and contract liabilities as “unearned revenues” (refer note no.18) in other liabilities in the balance sheet. Contract assets that are no longer contingent, except for the passage of time, are shown under financial assets.

(Amount in Thousands - ₹)

Particulars	March 31, 2024		March 31, 2023	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
Opening balance	1,65,560	1,02,847	1,50,069	85,867
Revenue recognised during the year	2,54,161	1,81,325	1,56,463	1,82,063
Invoices raised during the year	2,23,053	1,72,326	1,40,972	1,99,043
<b>Balances at the end of the year</b>	<b>1,96,668</b>	<b>93,848</b>	<b>1,65,560</b>	<b>1,02,847</b>

### Note 20 : Other Income

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest Income	5,627	3,525
Exchange Gain	-	4,705
Other Non-Operating Income	551	1,792
Financial Assets Derecognised	415	3,300
<b>Total Other Income</b>	<b>6,593</b>	<b>13,322</b>

### Note 21 : Employee Benefits Expense

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and Wages	4,71,403	3,79,734
Contribution to Provident and Other Funds	13,342	6,776
Compensated absences (refer note no 21b)	2,950	1,906
Gratuity and other retiral benefits (refer note no 21a)	12,742	9,736
Share Based Payment to Employees (refer note no 31)	6,973	4,339
Staff Welfare Expenses	5,549	5,475
<b>Total Employee Benefits Expense</b>	<b>5,12,959</b>	<b>4,07,966</b>

#### Note 21a: Defined benefit plan - Gratuity (unfunded)

Gratuity is classified as Defined Benefit plan as Group's obligation is to provide agreed benefits, subject to minimum benefits as subscribed by the Payment of Gratuity Act, to plan members. Actuarial & Investment risks are borne by the Group. Actuarial & Investment risks are borne by the Group.

The gratuity plan entitles an employee, who has rendered at least five years of continuous services, to receive one-half month's salary for each year of completed service at the time of retirement / exit.

The defined benefit plan comprises of gratuity which is unfunded. Actuarial gains and losses are recognised in the Other Comprehensive Income (OCI).

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the position of assets and obligations relating to the plan.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Net Defined Benefit (Asset)/Liability recognised in the Balance Sheet under Note 14</b>		
Present Value of Defined Benefit Obligation	88,171	72,644
Fair value of Plan Assets	27,174	16,124
<b>Net Defined Benefit (Asset)/Liability recognised in the Balance Sheet under Note 14</b>	<b>60,997</b>	<b>56,520</b>

(Amount in Thousands - ₹)

Change in Defined Benefit Obligation during the Period	As at March 31, 2024	As at March 31, 2023
Balance Sheet (Asset)/Liability, Beginning of Period	56,520	47,099
Total Charge/(Credit) Recognised in Profit and Loss	12,742	9,736
Total Remeasurements Recognised in OC (Income)/Loss	2,860	6,546
Actual Employer Contributions/Benefit Directly paid by the Company	(11,125)	(6,861)
<b>Defined Benefit Obligation, End of Period</b>	<b>60,997</b>	<b>56,520</b>

## Amounts in Statement of Profit & Loss

(Amount in Thousands - ₹)

Total Defined Benefit Cost/(Income) included in Statement of Profit & Loss	As at March 31, 2024	As at March 31, 2023
Service cost	8,760	6,416
Net interest cost	3,982	3,320
Past service cost	-	-
Administration expenses	-	-
(Gain)/loss due to settlements/curtailments/diversitures	-	-
<b>Total Defined Benefit Cost/(Income) included in Statement of Profit &amp; Loss</b>	<b>12,742</b>	<b>9,736</b>

## Amounts in the Balance Sheet

(Amount in Thousands - ₹)

Current/Non Current Bifurcation	As at March 31, 2024	As at March 31, 2023
Current Benefit Obligation	15,118	12,709
Non - Current Benefit Obligation	73,053	59,935
<b>Gross (Asset)/Liability recognised in the Balance sheet</b>	<b>88,171</b>	<b>72,644</b>
Actual Return on Plan Assets		
Interest income on plan assets	1,177	946
Remeasurements on plan assets	(177)	(627)
<b>Actual Return on Plan Assets</b>	<b>1,000</b>	<b>319</b>

The Group provides the gratuity benefit through annual contributions to a fund managed by approved trust. Under this plan, the settlement obligation remains with the Group, although the trust administers the plan and determines the contribution required to be paid by the Group. The trust has invested the plan assets in the Insurer managed funds. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and the management of the fund is undertaken by the LIC. The expected rate of return on plan assets is based on the expectation of the average long-term rate of return expected on investments of the funds during the estimated term of the obligation.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Category of Assets

Insurer Managed Funds & T-Bills

(Amount in Thousands - ₹)

The principal assumptions used in determining the gratuity benefit are shown below:	As at March 31, 2024	As at March 31, 2023
Salary escalation rate	10%	10%
Discount rate	7.09%	7.30%
Expected rate of return on assets	7.09%	7.30%

### Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
Defined Benefit Obligation - Discount Rate + 100 basis points	(4,419)	(3,646)
Defined Benefit Obligation - Discount Rate - 100 basis points	4,913	4,055
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	3,220	2,794
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(3,162)	(2,775)

### Note 21b: Defined benefit plan - Compensated absences

Compensated absences as at the Balance Sheet date, determined on the basis of actuarial valuation based on the “projected unit credit method” is as below

The Group provides for expenses towards compensated absences (leave encashment) provided to its employees. The expenses are recognized in the statement of profit and loss account and the liabilities are recognized at the present value of the amount payable determined based on an independent external actuarial valuation made as at each Balance Sheet date, using Projected Unit Credit method.

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Net Defined Benefit (Asset)/Liability recognised in the Balance Sheet under Note 14</b>		
Defined Benefit Obligation	14,989	12,039
Present Value of Unfunded Defined Benefit Obligation	-	-
Fair value of Plan Assets	-	-
<b>Net Defined Benefit (Asset)/Liability recognised in the Balance Sheet under Note 14</b>	<b>14,989</b>	<b>12,039</b>

(Amount in Thousands - ₹)

Change in Defined Benefit Obligation during the Period	As at March 31, 2024	As at March 31, 2023
Defined Benefit Obligation, Beginning of Period	12,039	10,134
Net Current Service Cost	1,722	1,303
Interest Cost on DBO	836	681
Actuarial (Gains)/Losses	392	(79)
<b>Defined Benefit Obligation, End of Period</b>	<b>14,989</b>	<b>12,039</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Amounts in Statement of Profit & Loss

(Amount in Thousands - ₹)

<b>Total Defined Benefit Cost/(Income) included in Statement of Profit &amp; Loss</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Service cost	1,722	1,304
Net interest cost	836	681
Past service cost	-	-
Remeasurements	392	(79)
(Gain)/loss due to settlements/curtailments/diversitures		
<b>Total Defined Benefit Cost/(Income) included in Statement of Profit &amp; Loss</b>	<b>2,950</b>	<b>1,906</b>
<b>Amounts in the Balance Sheet</b>		
<b>Current/Non Current Bifurcation</b>		
Current Benefit Obligation	4,839	2,894
Non - Current Benefit Obligation	10,150	9,145
<b>Gross (Asset)/Liability recognised in the Balance sheet</b>	<b>14,989</b>	<b>12,039</b>

The principal assumptions used in determining the leave encashment benefit are shown below:

(Amount in Thousands - ₹)

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Salary escalation rate	10%	10%
Discount rate	7.09%	7.30%
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover/ Withdrawal Rate	15.00%	15.00%
Leave Availment Ratio	10.00%	10.00%
Retirement Age	60 years	60 years

## Note 22 : Finance Costs

(Amount in Thousands - ₹)

<b>Particulars</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
Interest Expense	7,004	6,711
Interest on Right of Use Asset	587	204
Other Borrowing Costs *	3,901	3,281
<b>Total Finance Costs</b>	<b>11,492</b>	<b>10,196</b>

\* Includes bank charges and processing fees towards borrowing facility

## Note 23 : Depreciation and Amortisation Expense

(Amount in Thousands - ₹)

<b>Particulars</b>	<b>Year ended March 31, 2024</b>	<b>Year ended March 31, 2023</b>
Depreciation of Property, Plant and Equipment	7,925	4,916
Amortisation of Intangible Assets	33,276	38,959
Amortisation of Right of Use Asset	4,018	3,205
<b>Total Depreciation and Amortisation Expense</b>	<b>45,219</b>	<b>47,080</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note 24 : Other Expenses

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Advertisement & Business Promotion	10,949	5,012
Cloud Infrastructure Expenses	38,157	27,762
Data Sourcing Expenses	261	463
Doubtful Debts	6,939	4,100
Exchange Gain / Loss	4,486	-
Foreign Travel Expenses	28,123	14,880
IPO and Listing Expenses	652	1,730
Insurance Expenses	2,167	2,322
Internet Co-location Charges	1,738	4,542
Legal, Professional and Consultancy Fees	55,952	45,262
Managerial Remuneration	1,285	1,235
Marketing and Sales Expenses	12,391	18,749
Miscellaneous Expenses	2,131	2,105
Office Maintenance	4,875	4,001
Outsource software Maintenance Expense	16,972	7,616
Partner Fees	1,23,659	53,425
Payment to Auditors*	1,764	1,926
Postage, Telephone & Communication Charges	5,598	5,785
Power Expenses	3,797	3,067
Printing and Stationery Expense	1,293	444
Rates and Taxes	1,927	728
Registration Fees Expense	10	45
Repairs and Maintenance	546	1,067
Sales Commission Expense	5,749	4,454
Software License and Hardware Fees	8,694	6,833
Rent Expense	2,038	1,294
Staff Recruitement Expenses	5,496	1,651
Travelling and Converyance	10,089	10,293
Write-offs	32	89
Bad Debts Written-Off	-	894
<b>Total Other Expenses</b>	<b>3,57,770</b>	<b>2,31,774</b>
<b>*Detail of payment to statutory auditor (exclusive of GST)</b>		
<b>As Auditor</b>		
Statutory Audit Fees	1,175	1,175
Other Matters	500	720
Reimbursement of out-of-pocket expenses	89	31
<b>Total</b>	<b>1,764</b>	<b>1,926</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note 25: Segment Reporting

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
1. Segment Revenue		
(net sale/income from each segment should be disclosed under this head)		
(a) Segment – Collect	4,58,356	2,68,833
(b) Segment – Create	5,23,534	4,32,037
(c) Segment – Consume	41,076	34,842
(d) Unallocated	-	-
Less: Inter Segment Revenue		
<b>Net sales/Income From Operations</b>	<b>10,22,966</b>	<b>7,35,712</b>
2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)		
(a) Segment – Collect	42,289	22,657
(b) Segment – Create	95,709	64,179
(c) Segment – Consume	12,843	8,437
(d) Unallocated	6,593	13,322
<b>Total</b>	<b>1,57,434</b>	<b>1,08,595</b>
Less: i) Interest	11,036	9,785
ii) Depreciation & Amortisation	44,279	46,792
<b>Total Profit Before Tax</b>	<b>1,02,119</b>	<b>52,018</b>

### Note:

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

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

## Note 26: Transactions with Related Party

Related Party Disclosures in accordance with Ind AS 24 - "Related Party Disclosures" are given below.

### Names of related parties and related party relationship

#### a. Key Managerial Personnel (KMP)

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. P.K.X Thomas, Whole Time Director and Chief Technology Officer

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### **b. Relatives of Key Managerial Personnel (KMP)**

1. Deepta Rangarajan, Spouse of Mr S. Swaminathan
2. S. Chandrasekhar, Brother of Mr S. Swaminathan
3. S. Swaminathan, Spouse of Ms Deepta Rangarajan
4. Rajlaxmi Nambiar, Spouse of Mr K. Balachandran
5. Sharanya Balachandran, Daughter of Mr K. Balachandran
6. Shyama Balachandran, Daughter of Mr K. Balachandran
7. Vijayalakshmi Nambiar, Mother of Mr K. Balachandran
8. Minimol Thomas, Spouse of Mr P.K.X Thomas
9. Tinu Teresa Thomas, Daughter of Mr P.K.X Thomas
10. Anu Ann Thomas, Daughter of Mr P.K.X Thomas

### **c. 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

### **d. Independent Directors**

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

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note 26: Transactions with Related Party

#### e. Transactions with Related parties

(Amount in Thousands - ₹)

Particulars	Relationship with Related Party	Nature of Transactions	Transactions during the year ended		Outstanding balances	
			March 31, 2024	March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Services rendered</b>						
FinX Solutions (UAE)	An entity in which one of the Promoter Director is the managing partner	Sales of Services	2,599	1,203	4,462	2,389
IRIS Knowledge Foundation	Promoter Directors are common Directors	Sales of Services	-	-	1,211	1,211

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

The terms and conditions & the settlement pertaining to the outstanding balances is as per the company policy and in ordinary course of business. No guarantees have been given or received for such outstanding balances.

(Amount in Thousands - ₹)

Compensation to KMPs of the Company	Transactions during the year ended		Outstanding balances	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Short-term employee benefits*	27,909	22,647	1,406	15,996
Post-employment benefits #	-	-	-	-
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payment	1,342	835	-	-
<b>Total</b>	<b>29,251</b>	<b>23,482</b>	<b>1,406</b>	<b>15,996</b>

\* includes sitting fees and reimbursement of expenses

# The aforesaid amounts exclude gratuity provision as it is determined on actuarial basis for the Company as a whole

(Amount in Thousands - ₹)

Compensation to Relative/s of KMP/s of the Company	Transactions during the year ended		Outstanding balances	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Short-term employee benefits*	880	770	77	66
Post-employment benefits #	-	-	-	-
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payment	-	-	-	-
<b>Total</b>	<b>880</b>	<b>770</b>	<b>77</b>	<b>66</b>

The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### Note 27 : Financial Instruments - Disclosure, Accounting classifications and fair value measurements:

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash & cash equivalents, trade and other short term receivables, trade payables, borrowings and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments

Classification of Financial instruments by category

As at March 31, 2024

(Amount in Thousands - ₹)

Sr. No	Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying amount	Fair value
	<b>Financial Assets</b>					
1	Loans	469	-	-	469	469
2	Investments	-	-	-	-	-
3	Trade Receivables	2,23,164	-	-	2,23,164	2,23,164
4	Cash and Cash equivalent	1,39,342	-	-	1,39,342	1,39,342
5	Other Financial assets	95,303	-	207	95,510	95,510
	<b>Financial liabilities</b>					
6	Borrowings	54,347	-	-	54,347	54,347
7	Lease liabilities	10,307	-	-	10,307	10,307
8	Trade Payables	26,864	-	-	26,864	26,864
9	Other financial liabilities	71,580	-	-	71,580	71,580

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

As at March 31, 2023

(Amount in Thousands - ₹)

Sr. No	Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying amount	Fair value
	<b>Financial Assets</b>					
1	Loans	128	-	-	128	128
2	Investments	-	-	-	-	-
3	Trade Receivables	2,48,361	-	-	2,48,361	2,48,361
4	Cash and Cash equivalent	67,970	-	-	67,970	67,970
5	Other Financial assets	44,917	-	-	44,917	44,917
	<b>Financial liabilities</b>					
6	Borrowings	54,558	-	-	54,558	54,558
7	Lease liabilities	2,535	-	-	2,535	2,535
8	Trade Payables	11,401	-	-	11,401	11,401
9	Other financial liabilities	1,17,732	-	2,948	1,20,680	1,20,680

## Fair Value Hierarchy:

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

**Level 1:** This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares which are traded on the stock exchanges, is valued using the closing price at the reporting date.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example - traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. Investments in Debentures or Bonds are valued on the basis of dealer's quotation based on fixed income and money market association (FIMMDA). If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2024 are given below:

(Amount in Thousands - ₹)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Measured through FVTOCI	207	-	-	207
Measured through FVTPL	-	-	-	-
<b>Financial Liabilities</b>				
Measured at Amortised Cost				
- Borrowings	-	-	54,347	54,347
Measured through FVTOCI				
- Derivative Liabilities	-	-	-	-

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

The details of financial instruments that are measured at fair value on recurring basis as at March 31, 2023 are given below:

(Amount in Thousands - ₹)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Measured through FVTOCI	-	-	-	-
Measured through FVTPL	-	-	-	-
<b>Financial Liabilities</b>				
Measured at Amortised Cost				
- Borrowings	-	-	54,558	54,558
Measured through FVTOCI				
- Derivative Liabilities	2,948	-	-	2,948

The management assessed that cash and bank balances, trade receivables, loans, trade payables, borrowings (cash credits, working capital loans) and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

During the reporting year ending March 31, 2024 and March 31, 2023, there was no transfer between level 1 and level 2 fair value measurement

### Key Inputs for Level 1 & 2 Fair valuation Technique:

#### 1. Derivative Liabilities and Asset (Level 2):

The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of respective currencies

### Description of Significant Unobservable Inputs used for Financial Instruments (Level 3)

The following table shows the valuation techniques used for financial instruments:

Other Financial Liabilities (Non-current)	Discounted cash flow method using risk adjusted discount rate
---	---

## Note 28: Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance The Group's operations. The Group's principal financial assets, other than derivatives, include trade and other receivables, investments and cash and cash equivalents that arise directly from its operations. The Board of Directors has overall responsibility for the establishment and oversight of The Group's risk management framework and thus established a risk management policy to identify and analyse the risks faced by The Group. The risk management systems are reviewed periodically. The Audit Committee of the Board, oversees the compliance with the policy. The Internal Audit reviews the risk management controls and procedures and reports to the Audit Committee.

The Group's activities expose it to market risk, liquidity risk and credit risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, foreign currency receivables, payables and borrowings

The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of The Group. The Group uses derivative financial instruments, to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The sources of risks which the Group is exposed to and their management are given below:

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Risks	Exposure arising from	Measurement	Management
<b>Market Risk:</b>			
- Foreign Exchange Risk	Committed commercial transactions, Financial Assets and Liabilities not denominated in ₹	Cash Flow Forecasting, Sensitivity Analysis	Forward foreign exchange contracts
- Interest Rate Risk	Long-Term Borrowings at variable rates	Sensitivity Analysis, Interest rate Movements	
- Credit Risk	Trade Receivable, Derivative Financial Instruments	Ageing analysis, Credit Rating,	Credit limit and credit worthiness monitoring
- Liquidity Risk	Borrowings and Other Liabilities	Rolling Cash Flow Forecasts, Long range business forecast	Adequate unused credit lines and borrowing facilities, sufficient cash and marketable securities

Details relating to the risks are provided here below:

## A. Foreign Exchange Risk:

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to The Group's transactions denominated in a foreign currency including trade receivables and unbilled revenues, loans given to overseas subsidiaries, trade payables and bank balances. The Group's exposure to foreign currency risk with respect to material currencies as detailed below:

The Group regularly evaluates exchange rate exposure arising from foreign currency transactions. The Group follows the established risk management policies and standard operating procedures. When a derivative is entered into for the purpose of hedge, The Group negotiates the terms of those derivatives to match the terms of the foreign currency exposure.

As at March 31, 2024

(Amount in Thousands - ₹)

Foreign Currency	Trade Receivable	Contract Assets	Bank	Loans given	Trade payables	Total
AED	197	24	-	-	-	221
EUR	515	220	-	-	(10)	725
GBP	48	13	-	-	-	61
JOD	-	66	-	-	-	66
MYR	801	322	-	-	-	1,123
OMR	-	-	-	-	-	-
SGD	127	33	151	-	(34)	277
USD	364	551	492	-	(32)	1,375
ZAR	13,000	-	4,917	-	(2,030)	15,887
QAR	-	-	-	-	-	-
SAR	140	565	-	-	-	705

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

As at March 31, 2023

(Amount in Thousands - ₹)

Foreign Currency	Trade Receivable	Contract Assets	Bank	Loans given	Trade payables	Total
AED	28	91	-	-	-	119
EUR	740	79	-	-	(9)	810
GBP	42	8	-	-	-	50
JOD	-	23	-	-	-	23
MYR	425	565	-	-	-	990
OMR	8	87	-	-	-	95
SGD	-	33	191	-	(22)	202
USD	345	270	222	-	(7)	830
ZAR	6,889	-	-	-	-	6,889
QAR	-	-	-	-	-	-
SAR	916	-	-	-	-	916

### (i) Foreign Currency Sensitivity:

The sensitivities are based on financial assets and liabilities held at 31<sup>st</sup> March 2024 that are not denominated in Indian Rupees. The sensitivities do not take into account The Group's sales and costs and the results of the sensitivities could change due to other factors such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors.

Sensitivity analysis between Indian Rupee and the foreign currencies specified above for an increase of / decrease by ₹ 1.

(Amount in Thousands - ₹)

Foreign currency	As at March 31, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
AED	221	(221)	119	(119)
EUR	725	(725)	810	(810)
GBP	61	(61)	50	(50)
JOD	66	(66)	23	(23)
MYR	1,123	(1,123)	990	(990)
OMR	-	-	95	(95)
SGD	277	(277)	202	(202)
USD	1,375	(1,375)	830	(830)
ZAR	15,887	(15,887)	6,889	(6,889)
QAR	-	-	-	-
SAR	705	(705)	916	(916)

### B. Interest rate risk:

The Group has borrowed debt at variable rates to finance its operations, which exposes it to interest rate risk. The Group's interest rate risk management planning includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt, either directly or through the use of derivative financial instruments affecting a shift in interest rate exposures between fixed and floating.

Interest rate risk exposure on the average borrowing for the year:

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed rate borrowing	-	-
Variable rate borrowing	54,347	54,558

1% change in interest rate on variable rate borrowing would impact the interest cost for FY 2023-24 by ₹ 543 thousands (FY 2022-23 by ₹ 546 thousands).

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## C. Credit risk

Credit risk arises when a customer or counterparty does not meet its contractual obligations under a customer contract or financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including treasury operations. Customer credit risk is managed by Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables and unbilled revenues are regularly monitored and The Group creates a provision based on expected credit loss model.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

### i) Trade Receivables: Ageing & Movement

As per simplified approach, The Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk

ii) Movement of Doubtful debts	As at March 31, 2024	As at March 31, 2023
Opening provision	2,735	1,873
Add: Provided during the year	1,666	1,417
Less: Utilised during the year	-	-
Less: Written back during the year	(718)	(555)
<b>Closing Provision</b>	<b>3,683</b>	<b>2,735</b>

The details in respect of percentage of revenues generated from the top customer and the top 10 customers are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue from top customer	2,66,866	42,722
Revenue from top 10 customers	5,14,512	2,56,115

### iii) Derivative Instruments, Cash and Cash Equivalents and Bank Deposits:

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies. Credit Risk on Derivative Instruments is generally low as The Group enters into the Derivative Contracts with the reputed Banks.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high ratings, assigned by international and domestic credit rating agencies. Ratings are monitored periodically and the Company has considered the latest available credit ratings as at the date of approval of these financial statements.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### D. Liquidity Risk

Liquidity risk is defined as the risk that The Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for managing liquidity, funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors The Group's liquidity position through rolling forecasts and long range business forecasts on the basis of expected cash flows.

The table below provides details of financial liabilities at the reporting date based on contractual undiscounted payments. The Group has access to the following undrawn borrowing facilities:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Expiring in one year	Expiring beyond one year	Expiring in one year	Expiring beyond one year
Undrawn Borrowing Facility	63,153	-	68,942	-
Lease Liabilities	1,723	8,584	1,300	1,235
Trade Payables	26,864	-	11,401	-
Derivatives	-	-	2,948	-

### E. Capital Management

The Group's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of The Group's capital management, capital means the Total Equity as per the Balance Sheet.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by the total equity.

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	54,347	54,558
Less: Cash and cash equivalents	1,39,342	67,970
Net Debt (A)	(84,995)	(13,412)
Equity Share Capital	1,93,612	1,93,612
Other Equity	2,15,949	1,21,802
Total Equity (B)	4,09,561	3,15,414
Net Debt / Equity (A / B)	-21%	-4%

In addition, The Group has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, Outside liabilities to Net Worth etc. which is maintained by The Group

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note 29: Financial performance indicators - Analytical Ratios

In accordance with Notification dated March 24, 2021, the Central Government in its Amendment to Schedule III to Companies Act 2013 stated that the Company shall disclose the following ratios which shall indicate the financial performance of the Company. Company is required to give details of significant changes (change of 25% or more as compared to the previous financial year) in sector-specific key financial ratios, as well as any changes in return on net worth.

(Amount in Thousands - ₹)

Sr. No.	Particulars	Numerator	Denominator	Unit	March 31, 2024	March 31, 2023
1	Current Ratio	Current Assets	Current Liabilities	In times	2.07	1.66
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	In times	0.13	0.17
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	In times	20.92	15.81
4	Trade Receivables Turnover Ratio	Revenue	Average Trade Receivable	In times	4.34	3.63
5	Trade Payables Turnover Ratio	Purchases of services and other expenses	Average Trade Payables	In times	18.70	14.71
6	Net Capital Turnover Ratio	Revenue	Current Assets - Current Liabilities	In times	3.32	3.39
7	Net profit ratio	Net Profit	Revenue	In percentage	8.59%	5.82%
8	Return on Capital Employed	Earning before interest and taxes	Net worth + deferred tax liabilities + Lease Liabilities+Total Debt	In percentage	23.86%	16.66%
9	Return on Equity	Net Profits after taxes	Net worth	In percentage	21.36%	13.55%

Note: a) Disclosure of Inventory Turnover Ratio is not applicable as type Company does not hold any Inventory.

### Detailed explanation for significant changes in sector-specific key financial ratios and changes in Return on Net Worth:

(Amount in Thousands - ₹)

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current Ratio	5,96,809	2,88,345	2.07	1.66	24%	Due to increase in Current Assets and decrease in Current Liabilities
Debt Service Coverage Ratio	1,58,830	7,591	20.92	15.81	32%	Due to increase in Earning before interest, Depreciation and tax
Trade Payables Turnover Ratio	3,57,770	19,132	18.70	14.71	27%	Due to increase in Other expenses
Net profit Ratio	87,883	10,22,966	8.59%	5.82%	47%	Due to increase in Net profit after Tax
Return on Capital Employed	1,13,611	4,76,077	23.86%	16.66%	43%	Due to increase in Earning before interest and tax
Return on Equity	87,883	4,11,423	21.36%	13.55%	58%	Due to increase in Net profit after Tax

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note 30: Hedge Accounting

As part of its risk management strategy, the company endeavors to hedge its net foreign currency exposure of highly forecasted sale transactions for the next 10 to 12 months in advance. The company uses forward contracts to hedge its currency exposure. Such contracts are designated as cash flow hedges. The forward contracts are generally denominated in the same currency in which the sales realization is likely to take place.

For derivative contracts designated as hedge, the Company documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

The Company applies cash flow hedge accounting to hedge the variability in the future cash flows attributable to foreign exchange risk. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship. On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge.

Hedge effectiveness is assessed through the application of critical terms match method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss.

Type of risk / hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
Forward contract	Foreign currency risk of highly probable forecast transactions using forward contracts	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Company enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts. These are customized contracts transacted in the over-the-counter market.	Cash flow hedge

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

#### As at 31<sup>st</sup> March, 2024

Particulars	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liability	Maturity	Average booking price/ rate
Foreign exchange forward contracts	5,25,650 EURO 15,348 GBP 3,37,609 USD	207 (₹ in Thousands)	-	FY 24-25	1 EURO = 91.31 1 GBP = 106.93 1 USD = 83.84

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting :

(Amount in Thousands - ₹)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of year	(2,889)	711
Gain/(loss) recognised in Other Comprehensive Income during the year	3,570	(360)
Amount reclassified to profit/loss during the year	(415)	(3,300)
Tax impact on the above	(993)	60
<b>Balance at the end of year</b>	<b>(727)</b>	<b>(2,889)</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The quantitative information about offsetting of derivative financial assets and derivative financial liabilities is as follows

(Amount in Thousands - ₹)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Derivative Financial asset	Derivative Financial liability	Derivative Financial asset	Derivative Financial liability
Net amount presented in Balance Sheet	207	-	-	2,948

## Note 31: Employee Stock Option Scheme

The Company provides share-based payment schemes to its employees 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 company currently has two ESOP schemes, the relevant details of which are as follows:

### IRIS Business Services Limited – Employee Stock Option Scheme 2017

On September 11, 2017, the Board of Directors approved the “IRIS Business Services Limited – Employee Stock Option Scheme 2017”

(“Scheme”) 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	All the Options granted on any date shall vest not later than the maximum period of 4 (Four) years from the date of grant. Further, Exercise period would commence from the date of vesting and will expire on completion of 5 (Five) years from the date of respective vesting.
Method of Settlement	Shares
Source of shares	Primary-Fresh equity allotment by the company

A summary of the activity in the Company’s ESOP Scheme (“IRIS Business Services Limited – Employee Stock Option Scheme 2017”) is as follows:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	Shares arising from options	Weighted Average Exercise price	Shares arising from options	Weighted Average Exercise price
Outstanding at the beginning of the year	2,14,000	42.18	1,55,000	32.00
Options Granted during the year*	-	-	2,10,000	42.37
Options exercised during the year	-	-	1,43,000	-
Options Forfeited during the year	-	-	8,000	-
No. of Options Outstanding at the end of the year	2,14,000	-	2,14,000	-
Vested Options	2,14,000	-	4,000	-
Unvested Options	-	-	2,10,000	-
No. of Options exercisable at the end of the year	2,14,000	-	4,000	-

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Fair value determination method

The Black-Scholes model requires consideration of certain variables such as implied volatility, risk free rate of interest, expected dividend yield, expected life of option, market price of the underlying stock and exercise price for the calculation of Fair Value of the option. Variability of these parameters could significantly affect the estimated Fair value of the option.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Grant Date	November 11, 2022	November 11, 2022
Risk Free interest rate	6.61% to 7.24%	6.61% to 7.24%
Expected Life (in Years)	3.5 Years to 6.5 Years	3.5 Years to 6.5 Years
Expected Volatility	74.81%	74.81%
Dividend Yield	0%	0%
Stock price* (amount in ₹)	75.55	75.55
Exercise price (amount in ₹)	32 & 75.55	32 & 75.55
Weighted Average remaining Contractual life	2.96	3.43
Fair Value as on Grant date	57.09 & 43.55 & 7.92	57.09 & 43.55 & 7.92

\* 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.

The expected life of the ESOP is estimated based on the vesting term and contractual term of the ESOP, as well as expected exercise behaviour of the employee who receives the ESOP.

To understand the effect of share based payment transactions on the entity's profit and loss for the year refer Note no.21

### IRIS Business Services Limited – Employee Stock Option Scheme 2023

During the year ended March 31, 2024, the Company implemented a new employee stock option scheme, namely the 'IRIS Business Services Limited Employee Stock Option Scheme 2023'

On December 01, 2023, the Board of Directors approved the "IRIS Business Services Limited – Employee Stock Option Scheme 2023". The aforesaid Scheme was duly approved by shareholders in its Extra-Ordinary General Meeting held on February 16, 2024. The Company is in process of making an application to the Stock Exchanges where the Equity shares of the Company are listed for obtaining their in-principle approval for the said scheme and hence the Nomination and Remuneration committee of the Board is yet to grant options under the said Scheme.

#### Key terms of the scheme:

Date of Shareholder's Approval	February 16, 2024
Total Number of Options approved	9,75,000
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	All the Options granted on any date shall vest not later than the maximum period of 4 (Four) years from the date of grant. Further, Exercise period would commence from the date of vesting and will expire on completion of 5 (Five) years from the date of respective vesting.
Method of Settlement	Shares
Source of shares	Primary-Fresh equity allotment by the company

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note 32: Contingent Liabilities and Commitments:

### (a) Contingent Liabilities, Commitments

(Amount in Thousands - ₹)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Claims against the company not acknowledged as debts		
	Disputed EPFO Demand Relating to May-2005 to May-2007 and pending before Honorable High Court of Bombay	174	174
2	BSE Late filing penalty	12	12
3	Commitments	-	-

The above amount of contingencies does not include applicable interest, if any. Cash outflows for the above are determinable only on receipt of judgements pending at various forums / authorities.

- (b) Foreseeable Losses: The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the company has reviewed and ensured that adequate provision as required under any law / applicable accounting standards for material foreseeable losses on such long term contracts and financial assets has been made in the books of account.
- (c) Pending Litigations: The Company has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements.

## Note 33: Earnings Per Share

(Amount in Thousands - ₹)

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Net Profit for the Year attributable to equity Shareholders	86,935	42,720
Weighted Average No. of Shares - Basic	19,361	19,218
Weighted Average No. of Shares - Diluted	19,491	19,319
EPS - Basic	4.49	2.22
EPS - Diluted	4.46	2.21
Nominal value of each Equity Share	10.00	10.00

Reconciliation of weighted average of number shares

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Basic weighted average number of shares	19,361	19,218
Add: adjustment on account of ESOP	130	101
Diluted weighted average number of shares	19,491	19,319

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note 34 : Disclosure of Interest held in Subsidiary

Sr. No	Name of the entity	Place of incorporation	Principal business activities	Ownership Interest held by group	Ownership Interest held by NCI
1	IRIS Business Services, LLC	USA	USA	100%	
2	IRIS Business Services (Asia) Pte. Ltd	Singapore	Singapore	98.36%	1.64%
3	Atanou S.R.L.	Italy	Italy	100%	
4	IRIS Logix Solutions Private Limited	India	India	51%	49%

### Summarised Financial Information - (Consolidated)

#### Balance Sheet

(Amount in Thousands - ₹)

Particulars	IRIS Business Services, LLC	IRIS Business Services (Asia) Pte. Ltd	Atanou S.R.L.	IRIS Logix Solutions Private Limited
Non Current Assets	22	-	-	3,094
Current Assets	50,435	21,582	586	5,683
<b>Total</b>	<b>50,457</b>	<b>21,582</b>	<b>586</b>	<b>8,777</b>
Non Current Liabilities	-	-	-	314
Current Liabilities	58,868	13,984	591	4,588
<b>Total</b>	<b>58,868</b>	<b>13,984</b>	<b>591</b>	<b>4,902</b>

#### Profit / Loss

(Amount in Thousands - ₹)

Particulars	IRIS Business Services, LLC	IRIS Business Services (Asia) Pte. Ltd	Atanou S.R.L.	IRIS Logix Solutions Private Limited
Revenue from Operations	64,995	28,397	-	8,208
Profit/Loss	1,961	1,197	(110)	1,895
Other Comprehensive Income	108	37	1	-
<b>Total</b>	<b>2,069</b>	<b>1,234</b>	<b>(109)</b>	<b>1,895</b>

#### Summarised Cash flow

(Amount in Thousands - ₹)

Particulars	IRIS Business Services, LLC	IRIS Business Services (Asia) Pte. Ltd	Atanou S.R.L.	IRIS Logix Solutions Private Limited
Cash flows from operating activities	23,171	(2,473)	(38)	1,737
Cash flows from financing activities	(320)	-	-	(48)
Cash flows from investing activities	-	-	-	(1)
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>22,851</b>	<b>(2,473)</b>	<b>(38)</b>	<b>1,688</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note 35a : Statutory Group Information

(Amount in Thousands - ₹)

Name of the entity	Net assets less net liabilities		Share in profit/loss		Share in other comprehensive income		Share in Total comprehensive income	
Parent	As a % of Consolidated	Amount	As a % of Consolidated	Amount	As a % of Consolidated	Amount	As a % of Consolidated	Amount
IRIS Business Services Ltd.	106.09%	4,34,521	95.37%	82,914	78%	512	95.25%	83,426
<b>Subsidiaries</b>								
IRIS Business Services, LLC	-2.05%	(8,411)	2.26%	1,961	16%	106	2.36%	2,067
IRIS Business Services (Asia) Pte. Ltd	1.86%	7,598	1.38%	1,197	6%	36	1.41%	1,233
Atanou S.R.L.	0.00%	(6)	-0.13%	(110)	0%	1	-0.12%	(109)
IRIS Logix Solutions Private Limited	0.95%	3,875	2.18%	1,895	0%		2.16%	1,895
Minority interest in subsidiaries	-0.45%	(1,862)	-1.09%	(948)	0%	(1)	-1.08%	(950)
Sub Total	0.00%	-	0.00%	-	0%	-	0.00%	-
Less: Effect of intercompany adjustments / eliminations	-6.39%	(26,154)	0.03%	27	0%	-	0.03%	27
<b>Total</b>	<b>100.00%</b>	<b>4,09,561</b>	<b>100.00%</b>	<b>86,936</b>	<b>100%</b>	<b>654</b>	<b>100.00%</b>	<b>87,589</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note 35b: Activities of Subsidiary

With regards to our investment in subsidiaries in USA “IRIS Business Services LLC”, as at March 31, 2024, the total liabilities exceeded its total assets by ₹ 8,411 Thousand. The parent company is committed to provide necessary financial support as and when necessary. Considering the future prospect of these subsidiaries and continued support of Parent, the investment in the subsidiaries is measured at cost itself.

### Note 36: Additional Regulatory Information

Pursuant to the requirement stipulated under para (6)(L) to the General Instructions for Preparation of Balance Sheet under schedule III of Companies Act, 2013, the required additional regulatory information are disclosed as under:

- i) The Group does not have any immovable properties (other than properties where The Group is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of The Group.
- ii) The Group does not have any investment property.
- iii) The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Assets) during the current year or the preceeding year.
- iv) The Group has not revalued its intangible assets during the current year or the preceeding year.
- v) There are no loans or advances in the nature of loans that are granted to promoters, Directors, Key Managerial Personnel and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person
- vi) There is no Capital Work in progress
- vii) For disclosure pertaining to Intangible assets under development - Refer Note No. 4b
- viii) No proceedings have been initiated on or are pending against The Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ix) The borrowings from banks or financial institutions reported under Refer Note No. 12, are made on the basis of security of assests other than current asset and on the unconditional and irrevocable Personal guarantees of Whole Time Directors of The Group.
- x) The Group has not been declared a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or any other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- xi) The Group did not have any transactions with companies struck off under Companies Act, 2013.
- xii) There are no charges or satisfaction thereof yet to be registered with ROC beyond the statutory period - Refer Note No. 3b and Refer Note No. 12 for the details of charge created.
- xiii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017, with respect to the extent of holding of The Group in downstream companies.
- xiv) The Group has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- xv) During the year, The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of The Group (Ultimate Beneficiaries); or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xvi) During the year, The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that The Group shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xvii) There is no income surrendered or disclosed as Income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

- xviii) The Group has not traded or invested in Crypto currency or Virtual currency during the current or the previous financial year.
- xix) The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Also, there have been no instances of audit trail feature being tampered with.

**Note 37:** The new Code on Social Security, 2020 has been enacted, which could impact the contributions by The Group towards Provident Fund, Gratuity and bonus. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Group will complete its evaluation and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

**Note 38:** Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company

**Note 39:** Previous year figures have been regrouped / rearranged, wherever necessary.

## For KKC & Associates LLP

Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
Firm Registration Number: 105146W / W100621

## Soorej Kombaht

Partner  
ICAI Membership No: 164366

Place: Navi Mumbai  
Date: May 18, 2024

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

(CIN:L72900MH2000PLC128943)

## Swaminathan Subramaniam

Whole Time Director & CEO  
(DIN: 01185930)

## Balachandran Krishnan

Whole Time Director & CFO  
(DIN: 00080055)

Place: Navi Mumbai  
Date: May 18, 2024

## Deepta Rangarajan

Whole Time Director  
(DIN: 00404072)

## Santoshkumar Sharma

Company Secretary  
(Membership No: ACS 35139)

# ATTENDANCE SLIP

(To be presented at the entrance)

**24TH ANNUAL GENERAL MEETING ON WEDNESDAY, AUGUST 14, 2024, at 11:00 a.m. (IST)  
at Auditorium, First Floor, Bharatiya Vidya Bhavan Navi Mumbai Kendra, Plot No 3-A, Sector 30,  
Near Vashi Railway Station, Near Assam Bhavan, Vashi (east), Navi Mumbai – 400 703.**

DP ID\*: \_\_\_\_\_

Folio No: \_\_\_\_\_

Client ID\*: \_\_\_\_\_

No. of Shares: \_\_\_\_\_

Name and address of Shareholder:

I hereby record my presence at the 24<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Wednesday, August 14, 2024, at 11:00 a.m. (IST) at Auditorium, First Floor, Bharatiya Vidya Bhavan Navi Mumbai Kendra, Plot No 3-A, Sector 30, Near Vashi Railway Station, Near Assam Bhavan, Vashi (east), Navi Mumbai – 400 703.

\_\_\_\_\_  
Signature of Shareholder/Proxy

\*Applicable to Shareholders holding shares in electronic form;

**Note: Please fill the attendance slip and hand it over at the entrance of the Meeting Hall.**

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ELECTRONIC VOTING PARTICULARS		
REVEN (Remote E-voting Event Number)	User ID	Password/PIN

**Note:** Please read instructions given in the Notice of the 24<sup>th</sup> Annual General Meeting carefully before voting electronically.

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# PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN: L72900MH2000PLC128943

Company's Name: IRIS Business Services Limited

Registered Office: T-231, Tower 2, 3<sup>rd</sup> Floor, International Infotech Park, Vashi Station, Vashi - 400 703, Maharashtra, India

Name of the Member(s): .....

Registered address: .....

E-mail Id: .....

Folio No. / Client ID No.: ..... DP ID No.: .....

I/We, being the member(s) of ..... Shares of IRIS Business Services Limited, hereby appoint:

1. Name: ..... E-mail ID: .....

Address:.....

.....

Signature: .....

or failing him

2. Name: ..... E-mail ID: .....

Address:.....

.....

Signature: .....

or failing him

3. Name: ..... E-mail ID: .....

Address:.....

.....

Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, August 14, 2024, at 11:00 a.m. (IST) at Auditorium, First Floor, Bharatiya Vidya Bhavan Navi Mumbai Kendra, Plot No 3-A, Sector 30, Near Vashi Railway Station, Near Assam Bhavan, Vashi (east), Navi Mumbai – 400 703 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Audited Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors' and Auditor's thereon. (Ordinary Resolution)
2. To consider the re-appointment of Mr. Puthenpurackal Kuncheria Xavier Thomas (DIN: 09760233) as a Director of the Company. (Ordinary Resolution)

Signed this ..... day of ..... 2024

Affix  
Revenue  
Stamp

Signature of shareholder: .....

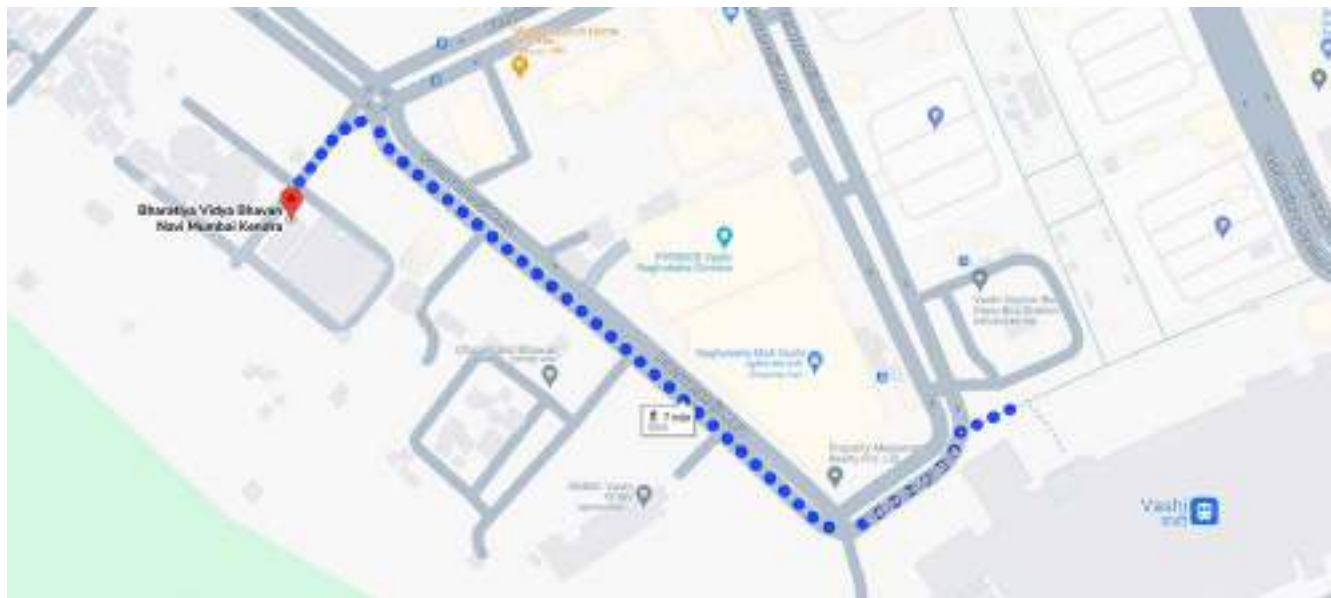
Signature of Proxy holder(s): .....

**NOTES:**

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at T-231, Tower 2, 3<sup>rd</sup> Floor, International Infotech Park, Vashi Station, Vashi - 400 703, Maharashtra, India, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

## ROUTE MAP OF AGM VENUE

AUDITORIUM, FIRST FLOOR, BHARATIYA VIDYA BHAVAN NAVI MUMBAI KENDRA, PLOT NO 3-A, SECTOR 30, NEAR VASHI RAILWAY STATION, NEAR ASSAM BHAVAN, VASHI (EAST), NAVI MUMBAI – 400 703.



Nearest landmark: NEAR VASHI RAILWAY STATION, NEAR ASSAM BHAVAN

# Corporate Information

## Board of Directors

### **Vinod Agarwala**

*Independent Director (Chairman)*

### **Bhaswar Mukherjee**

*Independent Director*

### **Ashok Venkatramani**

*Independent Director*

### **Haseeb Ahmad Drabu**

*Independent Director*

### **Swaminathan Subramaniam**

*Whole Time Director & CEO*

### **Deeptha Rangarajan**

*Whole Time Director*

### **Balachandran Krishnan**

*Whole Time Director & CFO*

### **Puthenpurackal Kuncheria Xavier Thomas**

*Whole Time Director & CTO*

## Company Secretary and Compliance Officer

Santoshkumar Sharma

## Corporate Identity Number (CIN)

L72900MH2000PLC128943

## Registered Office

IRIS Business Services Limited

T-231, Tower 2, 3<sup>rd</sup> 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. KKC & Associates LLP,

Chartered Accountants,

(Formerly Khimji Kunverji & Co LLP),

ICAI Firm Registration No. 105146W/W100621

## Secretarial Auditor

M/s. Priti J. Sheth,

Practicing Company Secretary

## Internal Auditor

M/s. M.P. Chitale & Co.,

Chartered Accountants

## Legal Advisors

Chitale Legal, Mumbai

Valsangkar & Associates, Patent Attorney, Pune

## Bankers

ICICI Bank Limited



Building Transparency. Driving Growth.

### **IRIS Business Services Limited**

Tower 2, 3<sup>rd</sup> Floor  
International Infotech Park  
Vashi, Navi Mumbai 400703  
Maharashtra, India

#07-08, Jit Poh Building  
19 Keppel Road, Singapore 089058

Suite 301, 100 Enterprise Drive,  
Rockaway, NJ 07866, USA

Via Ulrico Hoepli N. 3-20123,  
Milano, Italy